

November 27, 2024

Reliance Commercial Finance Limited: Ratings Withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	1200.00	1200.00	[ICRA]D; ISSUER NOT COOPERATING*; Withdrawn
Total	1200.00	1200.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the Commercial Paper programme of Reliance Commercial Finance Limited, at the request of the company in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers and their description, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on Default Recognition Rating Methodology- Non-Banking Finance Companies (NBFCs) Policy on Withdrawal of Credit Ratings
Parent/ Group Support	Not Applicable
Consolidation/ Standalone	Standalone

About the company

Reliance Commercial Finance Limited (RCFL) was a part of Reliance Capital Limited (RCL). The entity started its commercial finance business in May 2007 and was primarily in the secured lending space with a focus on equipment-and-property-backed small and medium enterprise loans, loan against property, short-term infrastructure loans and loans to microfinance institutions.

Pursuant to the implementation of RCFL's resolution plan, in terms of the Reserve Bank of India (Prudential Framework or Resolution or Stressed Assets) Directions, 2019, RCL disposed of its stake in RCFL to Authum Investment and Infrastructure Limited (Authum) on October 14, 2022. RCFL is currently a wholly-owned subsidiary of Authum.

Key financial indicators

	FY2022	FY2023	FY2024
Net interest income	(962)	(158)	54
Profit / (loss) after tax	(7,087)	4,043	1,323
Total assets	2,001	3,099	266
Net worth	(10,380)	(3,249)	(364)
Gearing (reported; times)	-0.98	-1.47	-1.7
Capital adequacy ratio	-1,273.9%	-215.6%	-288.2%
Gross Stage 3	93.1%	78.9%	00.0%
Net Stage 3	0.6%	6.7%	00.0%

Source: Company, ICRA Research; All ratios as per ICRA's calculations
Amount in Rs. crore

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickwork Ratings	BWR D ISSUER NOT COOPERATING	November 15, 2024
CARE	CARE D ISSUER NOT COOPERATING	January 29, 2024

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. crore)	Date & Rating in	FY2024		FY2023		FY2022	
				27-Nov-24	Date	Rating	Date	Rating	Date	Rating
1	Commercial paper programme	Short-Term	1200.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn	29-Nov-23	[ICRA]D; ISSUER NOT COOPERATING	18-Nov-22	[ICRA]D; ISSUER NOT COOPERATING	30-Nov-21	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Commercial paper programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE126D14418	Commercial paper programme	January 25, 2019	9.80%	February 25, 2019	125.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
Not yet placed	Commercial paper programme	NA	NA	NA	1,075.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn

Source: Reliance Commercial Finance Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

Company Name	Ownership	Consolidation Approach
Not Applicable	Not Applicable	Not Applicable

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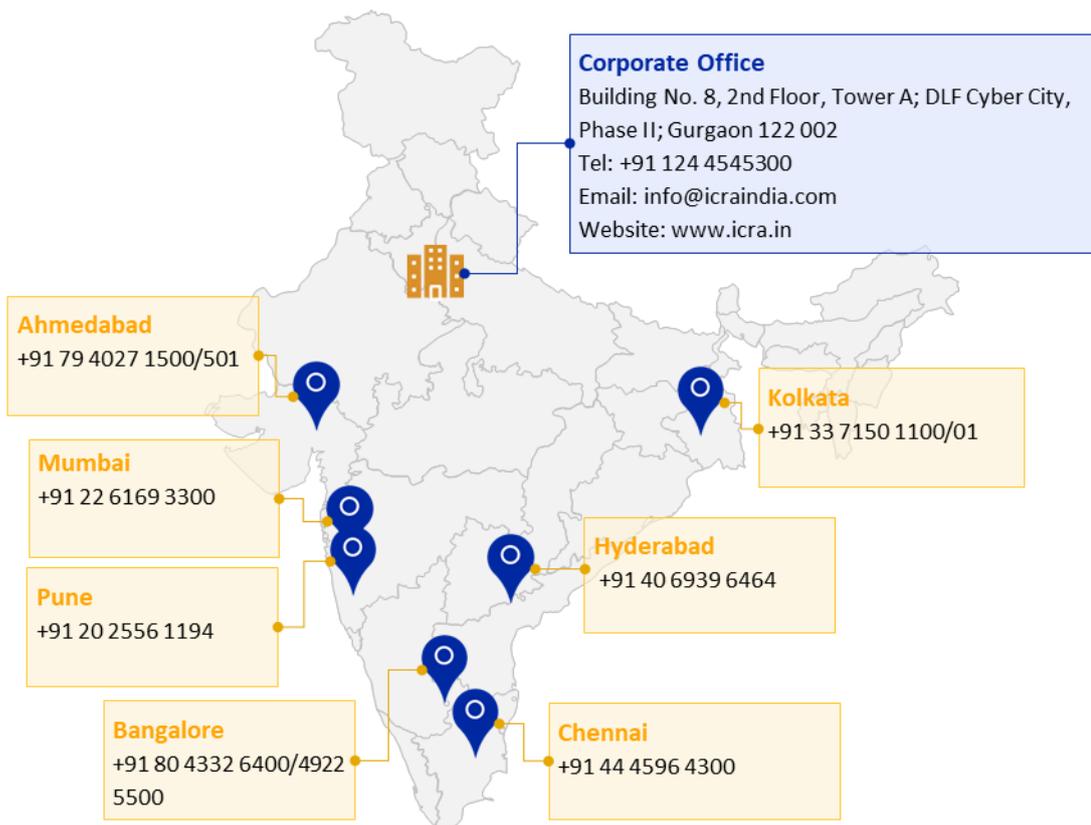
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