

Reliance Commercial Finance Limited

February 12, 2019

Summary of Rated Instruments

Sl.	Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount O/s after last surveillance (Rs. crore)	Amount O/s after Jan-19 Payout (Rs. crore)	Rating action
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1	Indian Receivable Trust 10	PTC Series A	151.93	16.89	0.00	[ICRA]AAA(SO) Withdrawn
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*Instrument details are provided in Annexure I

Rating Action

ICRA has withdrawn the ratings for PTCs issued under a mortgage loan securitisation transaction originated by Reliance Commercial Finance Limited, as tabulated above.

Rationale

All the payouts to the investors in the above mentioned instruments have been made and no further payment is due to the investors.

Key rating drivers

Credit Strengths

- N.A.

Credit Weakness

- N.A.

Description of key rating drivers highlighted above:

N.A.

Liquidity Position:

N.A.

Key rating assumptions

N.A.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

¹ 100 lakh = 1 crore = 10 million

About the Company:

Reliance Commercial Finance Limited (RCFL) is a part of the Reliance Capital group and is a 100% subsidiary of Reliance Capital Limited (RCL). The commercial lending business of RCL was de-merged into RCFL in Q4FY2017 while RCL is in a process to become a core investment company. The entity started its commercial finance business in May 2007 and is primarily into 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.

RCFL earned a net profit of Rs. 121.16 crore on total income of Rs. 990.83 crore in H1FY2018 compared with a net profit of Rs. 295.17 crore on total income of Rs. 1,932.60 crore in FY2017.

ICRA currently has a rating of A1+ (Stable) on the Commercial paper programme and Short term bank lines of RCFL.

Key financial indicators

	FY2017	FY2018
Net Operating Income	356	172
Profit after tax	295	121
Networth	2,506	2,620
Loan Book (AUM)	16,323	16,280
Total assets	13,795	15,333
Return on assets	4.26%	1.67%*
Return on equity	23.00%	9.46%*
Gross NPA	4.90%	5.24%
Net NPA	4.16%	4.23%
Capital adequacy ratio	17.2%	17.7%
Gearing**	4.22	4.51

Amounts in Rs. Crore, ratios as per ICRA calculations

**Annualised*

***Including minority interest*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years:

Table:

S.No	Name of Instrument	Type	Current Rating (FY2019)		Month-year & Rating	Chronology of Rating History for the past 3 years				
			Initial Rated amount (Rs. Crores)	Amount outstanding (Rs. Crores)		Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016	Date & Rating in FY2015
1	Indian Receivable Trust 10	PTC Series A	151.93	Nil	February 2019 [ICRA]AAA (SO) Withdrawn	Nov 2018 [ICRA]AAA (SO)	Oct 2017 [ICRA]AAA (SO)	Sep 2016 [ICRA]AAA (SO)	Sep 2015 [ICRA]AAA (SO)	May 2014 [ICRA]AAA (SO)

Complexity level of the rated instrument: Highly Complex

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure I

Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate #	Scheduled Maturity Date	Rated Amount (Rs. crore ²)	Current Rating
1	Indian Receivable Trust 10	PTC Series A	Sep 2013	Floating (linked to investor base rate)	Nov 2033	Nil	[ICRA]AAA(SO) Withdrawn

* Scheduled maturity at transaction initiation; may change on account of prepayment and yield change

² 100 lakh = 1 crore = 10 million

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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