

Reliance Home Finance Limited

February 21, 2019

Summary of Rated Instruments

Sl.	Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount O/s after last surveillance (Rs. crore)	Current Amount O/s (Rs. crore)	Rating action
1	INDIAN RECEIVABLE TRUST 2018 SERIES 5	PTC Series A	80.22	NA	0.00	Provisional [ICRA]AA(SO) Withdrawn
2	INDIAN RECEIVABLE TRUST 2018 SERIES 6	PTC Series A	93.81	NA	0.00	Provisional [ICRA]AA(SO) Withdrawn

*Instrument details are provided in Annexure I

Rating Action

ICRA has withdrawn the provisional ratings for PTCs issued under two mortgage loan securitisation transactions originated by Reliance Home Finance Limited, as tabulated above.

Rationale

Both transactions did not get placed subsequently and hence there is no outstanding amount against the rated instruments

Key rating drivers

Credit Strengths

- N.A.

Credit Weakness

- N.A.

Description of key rating drivers highlighted above:

N.A.

Liquidity Position:

N.A.

¹ 100 lakh = 1 crore = 10 million

Key rating assumptions

N.A.

Analytical approach:

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

About the Company:

Reliance Home Finance Limited (RHFL), a subsidiary of Reliance Capital Limited (RCL), was incorporated in FY2008. Registered as a Housing Finance Company with the National Housing Bank, RHFL is engaged in mortgaged based lending operations. RHFL was listed on the stock exchanges in India in the second half of September 2017 after it was hived off from RCL. Following this RCL's stake in the entity reduced to ~48%, while the overall promoter holding in the entity was ~75% as on December 31, 2017.

Since commencing business operations in July 2009, majority of incremental housing loans (HL) are booked on RHFL while the majority of incremental Loan Against Property (LAP) accounts are booked on RCL. RHFL reported a profit before tax of Rs. 172 crore in H1 FY2019 on a total income of Rs. 921 crore compared to a profit before tax of Rs. 127 crore on a total income of Rs. 932 crore in H1 FY2018.

The short-term debt of RHFL has a rating outstanding of [ICRA]A1+ from ICRA.

Key financial indicators

RHFL (Standalone)	FY2016	FY2017	FY2018
Net Operating Income	132	142	296
Profit after tax	87	173	181
Networth	620	1,130	1,929
Loan Book (AUM)	7,357	11,174	16,379
Total assets	7,694	11,305	15,684
Return on assets	1.31%	1.82%	1.34%
Return on equity	15.04%	19.73%	11.81%
Gross NPA	0.97%	0.84%	0.87%
Net NPA	0.74%	0.58%	0.67%
Capital adequacy ratio	16.3%	19.3%	19.8%
Gearing	10.61	8.68	6.90

Amounts in Rs. crore, ratios as per ICRA calculations

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
1	INDIAN RECEIVABLE TRUST 2018 SERIES 5	PTC Series A	80.22	Nil	Provisional [ICRA]AA(SO) Withdrawn February 2019	Provisional [ICRA]AA(SO) Jan 2019	-	-	-
2	INDIAN RECEIVABLE TRUST 2018 SERIES 6	PTC Series A	93.81	Nil	Provisional [ICRA]AA(SO) Withdrawn	Provisional [ICRA]AA(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 2018 SERIES 5	PTC Series A	Jan 2019	Floating (linked to investor base rate)	Aug 2043	Nil	Provisional [ICRA]AA(SO) Withdrawn
2	INDIAN RECEIVABLE TRUST 2018 SERIES 6	PTC Series A	Jan 2019	Floating (linked to investor base rate)	Aug 2043	Nil	Provisional [ICRA]AA(SO) Withdrawn

per annum payable monthly

² 100 lakh = 1 crore = 10 million

Analyst Contacts

Vibhor Mittal

+91 22 6114 3440

vibhorm@icraindia.com

Abhijeet Ajinkya

+91 22 6114 3434

abhijeet.ajinkya@icraindia.com

Satchit Sawant

+91 22 6114 3435

satchit.sawant@icraindia.com

Himanshi Doshi

+91 22 6114 3410

himanshi.doshi@icraindia.com

Karan Pednekar

+91 22 6114 3433

karanp@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents