

RATING RATIONALE

4 Oct 2022

Reliance Commercial Finance Limited

Brickwork Ratings reaffirms the rating for the various debt instruments of Rs 2850 Crs of Reliance Commercial Finance Limited based on best available information, as the Issuer did not Cooperate.

Instruments	Amount Rs Crs		Tenure	Rating*	
	Previous	Present		Previous (20 Sept 2021)	Present
Secured NCDs	2000	2000	Long Term	BWR D ISSUER NOT COOPERATING# (Reaffirmed)	BWR D/ Continues to be in ISSUER NOT COOPERATING# category/ Reaffirmed
Subordinated Debt	100	100		BWR D ISSUER NOT COOPERATING# (Reaffirmed)	BWR D/ Continues to be in ISSUER NOT COOPERATING# category/ Reaffirmed
Market Linked Debentures (PP-MLDs)	50	50	Long Term	BWR PP MLD D ISSUER NOT COOPERATING# (Reaffirmed)	BWR PP- MLD D/ Continues to be in ISSUER NOT COOPERATING# category/Reaffirmed
Commercial Paper	700	700	Short Term	BWR D ISSUER NOT COOPERATING# (Reaffirmed)	BWR D/ Continues to be in ISSUER NOT COOPERATING# category /Reaffirmed
Total	2850	2850	Rupees Two Thousand Eight Hundred Fifty Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

Issuer did not cooperate, based on best available information

Details of NCD/Subordinated Debt/PPMLDs/ Commercial Paper are provided in Annexure-I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) reaffirms the ratings on various debt instruments of Reliance Commercial Finance Ltd. (RCFL or the Company) to 'BWR D/ Continues to be in ISSUER NOT COOPERATING*category', as tabulated above. Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same. In the absence of adequate information received from the Company and continued lack of



cooperation, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Based on inadequate information; lack of cooperation and non submission of No Default Statements (NDS) for the past several months, weal financial risk profile, persistent delay in servicing of the debt instruments, BWR reaffirms the rating of the various debt instruments to ' BWR D/ Continues to be in ISSUER NOT COOPERATING category/ based on the best available information.

UPDATE (as available in the public domain):

The Company has engaged with its lenders to enter into an Inter Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019, issued by the Reserve Bank of India for prudential framework for resolution of stressed assets with Bank of Baroda acting as the lead lender (Lead Bank). Lead Bank and ICA lenders had invited Expression of Interest through newspaper advertisement and through the Lead Bank website. The ICA Lenders has evaluated the bids received and selected Authum Investment & Infrastructure Ltd (Authum) as the final bidder as on 19th July 2021. Upon approval of Authum's bid by the ICA lenders, the resolution plan was presented to the Company along with the distribution mechanism. The implementation of the resolution plan of the successful bidder is subject to approval of non-ICA Lenders, debenture holders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company. The Company has shared the final plan with the Debenture Trustees to call for the Debenture Holders meeting and seek approval on the resolution plan. The Company has informed the exchanges on the ICA lenders approved resolution plan and has also placed it before the Board of Directors who took note of the same. The same is pending for regulatory approval.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. The current rating action has been taken on the basis of the limited information on the issuer's performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the society, despite the downgrade.

ABOUT THE COMPANY

The commercial finance business of RCL has been demerged into its wholly owned subsidiary viz. RCFL w.e.f. April 1, 2016. RCFL is involved in financing of SME loans, structured finance, construction equipment loans, loan against property, MFI loans, infrastructure finance, construction finance, commercial vehicles and supply chain finance. The company operates under the brand name 'Reliance Money'.

KEY FINANCIAL INDICATORS (As available in public domain)

Key Parameters		FY 2021	FY 2022
Result Type	Units	Audited	Audited
Loan Portfolio (Outstanding)	Rs Crs	7094	628
Total Operating Income	Rs Crs	535	196
Net Profit	Rs Crs	-2665	-7079
Tangible net worth	Rs Crs	-3400	-10379
Borrowings	Rs Crs	11513	9751
Gearing	Times	-ve	-ve
CRAR	%	Not available	Not available
GNPA	%	Not available	Not available

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY

CARE Ratings – CARE D/ Rating continues to remain under ISSUER NOT COOPERATING category and CARE PP-MLD D/ Rating continues to remain under ISSUER NOT COOPERATING category since 18 March 2021 and reaffirmed on 07 March 2022.

ICRA Ratings – ICRA D ISSUER NOT COOPERATING since 19 Nov 2019 and reaffirmed on 29 Nov 2021

ANY OTHER INFORMATION

NIL

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S. No	Instrument	Current Rating 2022			Rating History		
		Type	Amount (₹ Crs)	Rating	2021 20 Sep 2021	2020 21 Sept 2020	2019
1	Secured NCDs	Long Term	2000	BWR D/ Continues to be in ISSUER NOT COOPERATING category/ Reaffirmed	BWR D INC (Reaffirmed)	BWR D INC (Reaffirmed and moved to INC)	BWR D (18 Sep 2019) (Downgrade d and removed from CWNI) BWR C (29 Apr 2019) (CWNI) (Downgraded) BWR A+ (19 Apr 2019) (CWNI) (Downgrade d and moved to CWNI) BWR AA (Stable) (15 Feb 2019) (Downgraded)
2	Subordinated Debt	Long Term	100	BWR D/ Continues to be in ISSUER NOT COOPERATING category/ Reaffirmed	BWR D INC (Reaffirmed)	BWR D INC (Reaffirmed and moved to INC)	BWR D (18 Sep 2019) (Downgrade d and removed from CWNI) BWR C (29 Apr 2019) (CWNI) (Downgrade d) BWR A+ (19 Apr 2019) (CWNI) (Downgrade d and moved to CWNI) BWR AA (Stable) (15 Feb 2019) (Downgraded)
3	Commercial Paper	Short Term	700	BWR D/ Continues to be in ISSUER NOT COOPERATING category/ Reaffirmed	BWR D INC (Reaffirmed)	BWR D INC (Reaffirmed and moved to INC)	BWR D (18 Sep 2019) (Downgraded) BWR A4 (29 Apr 2019) (CWNI) (Downgraded) BWR A1+ (19 Apr 2019) (CWNI) (Reaffirmed) BWR A1+ (Stable) (15 Feb 2019) (Reaffirmed)
4	PP-MLDs	Long Term	50	BWR PP-MLD D/ Continues to be in ISSUER NOT COOPERATING category/ Reaffirmed	BWR PPMLD D INC (Reaffirmed)	BWR PPMLD D INC (Reaffirmed and moved to INC)	BWR PP-MLD D (18 Sep 2019) (Downgraded and removed from CWNI) BWR PP-MLD C (29 Apr 2019) (CWNI) (Downgraded)

				category/Reaffirmed			BWR A+ (19 Apr 2019) (CWNI) (Downgraded and moved to CWNI)
							BWR PP MLD AA (Stable) (15 Feb 2019) (Downgraded)
	Total		2850	Rupees Two Thousand Eight Hundred Fifty Crores Only			

*Issuer did not cooperate, based on best available information
CWNI - Credit Watch with Negative Implications

COMPLEXITY LEVELS OF THE INSTRUMENTS

Secured NCDs	Complex
Subordinated NCDs	Complex
Market Linked Debentures	Complex
Commercial Papers	Simple

For more information, visit

www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Default Recognition and Post Default Curing Period](#)
- [Banks and Financial Institutions](#)

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Reliance Commercial Finance Limited
Annexure - I
Details of Bank Loan facilities rated by BWR: Nil

ANNEXURE- II
INSTRUMENT (NCD/Bonds/ CP/FDs) Details:

Instrument	Issue Date	Amount (Rs. in Crs)	Coupon	Maturity Date	ISIN
Secured NCDs	15-05-2017	25.00	8.66%	14-05-2027	INE126D07016
Secured NCDs	16-05-2017	10.00	8.52%	16-05-2024	INE126D07024
Secured NCDs	18-05-2017	6.00	8.52%	17-05-2024	INE126D07032
Secured NCDs	23-05-2017	10.00	8.66%	21-05-2027	INE126D07040
Secured NCDs	21-08-2017	38.00	8.52%	21-08-2024	INE126D07057
Secured NCDs	13-10-2017	400.00	9.03%	13-10-2022	INE126D07065
Secured NCDs	13-10-2017	500.00	9.23%	13-10-2027	INE126D07073
Secured NCDs	04-04-2018	500.00	9.50%	05-04-2023	INE126D07123
Secured NCDs	25-04-2018	15.20	9.10%	28-03-2022	INE126D07131
Secured NCDs	25-04-2018	15.20	9.10%	28-03-2023	INE126D07131
Secured NCDs	25-04-2018	15.20	9.10%	28-03-2024	INE126D07131
Secured NCDs	25-04-2018	15.20	9.10%	28-03-2025	INE126D07131
Unutilised - Secured NCDs	-	450.20	-	-	-
Subordinated NCDs	15-09-2017	20.00	8.69%	20-09-2027	INE126D08014
Subordinated NCDs	04-10-2017	2.00	8.69%	06-10-2027	INE126D08022
Subordinated NCDs	06-10-2017	2.00	8.69%	06-10-2027	INE126D08022
Subordinated NCDs	06-10-2017	8.00	8.69%	06-10-2027	INE126D08022
Subordinated NCDs	08-11-2017	5.00	8.70%	31-07-2025	INE126D08030
Subordinated NCDs	08-11-2017	6.00	9.07%	08-11-2027	INE126D08048
Subordinated NCDs	18-01-2018	17.00	9.40%	19-01-2028	INE126D08055
Subordinated NCDs	18-01-2018	10.00	9.40%	19-01-2028	INE126D08055
Subordinated NCDs	18-01-2018	4.00	9.40%	19-01-2028	INE126D08055
Subordinated NCDs	18-01-2018	2.00	9.40%	19-01-2028	INE126D08055
Subordinated NCDs	02-02-2018	3.00	9.40%	02-02-2028	INE126D08063
Subordinated NCDs	02-02-2018	2.00	9.40%	02-02-2028	INE126D08063
Unutilised - Subordinated NCDs	-	19.00	-	-	-
Market Linked Debentures	28-09-2018	13.40	Market Linked	23-10-2020	INE126D07149
Market Linked Debentures	01-10-2018	4.05	Market Linked	28-02-2022	INE126D07164
Market Linked Debentures	09-10-2018	4.00	Market Linked	02-12-2019	INE126D07156
Market Linked Debentures	30-10-2018	2.00	Market Linked	28-02-2022	INE126D07164
Market Linked Debentures	06-11-2018	3.80	Market Linked	02-12-2019	INE126D07156
Unutilised - Market Linked Debentures	-	22.75	-	-	-

Commercial Paper	19-09-2018	640.00	10.50%	16-09-2019	INE126D14384
Unutilised Commercial Paper	-	60.00	-	-	-
Total		2850.00	Rupees Two Thousand Eight Hundred Fifty Crores Only		



ANNEXURE- III
List of Entities Consolidated : Not Applicable

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