

## Reliance Home Finance to raise Rs3,500 crore via NCD route

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NEW DELHI

**R**eliance Home Finance Ltd, a unit of Anil Ambani-controlled Reliance Capital Ltd, on Tuesday said it will raise up to Rs3,500 crore by selling non-convertible debentures (NCDs).

The secured NCDs and unsecured NCDs will be issued at a face value of Rs1,000 each. The base issue size is Rs1,000 crore with an option to retain oversubscription up to Rs3,500 crore.

The unsecured NCDs will be in the nature of subordinated debt and will be eligible for inclusion as upper tier II Capital, it said.

The issue, the first such from Reliance Home Finance, will open on 22 December and close on 6 January. Proceeds will be utilized for lending, financing, repayment of loans and general corporate purposes.

The coupon rate for secured NCDs will vary between 8.7% and 9.15% and for unsecured NCDs from 9.25% to 9.4%. The tenure will be of three years, five years and 10 years for secured NCDs and 15 years for unsecured NCDs with a call option after 10 years.

The NCDs will be issued in one or more tranches up to the shelf limit, the statement added. They will be listed on BSE Ltd (BSE) and the National Stock Exchange of India Ltd (NSE).

"India's mortgage-to-GDP ratio is still low at 10% in 2015-16 compared with other developing countries but it has improved from 7.4% in 2009-10," Ravindra Sudhalkar, chief executive officer, Reliance Home Finance, said in a statement.

"The recent push by the government to provide 'Housing for All' by 2022 and steps taken to implement the same, are expected to boost sales of affordable and low-cost housing units and consequently, financing for the same."

NCDs are loan-linked bonds that cannot be converted into stock and usually offer higher interest rates than convertible debentures.

Edelweiss Financial Services, AK Capital Services, Axis Bank, Trust Investment Advisors and Yes Securities (India) Ltd are the lead managers to the issue.

Reliance Home Finance provides products such as home loans, loans against property, construction finance and affordable housing loans.

The company said in the first half ended 30 September, it had assets under management of Rs9,383 crore and disbursements of Rs3,342 crore. The outstanding loanbook of the firm was at Rs7,905 crore—with 100% of the loanbook continuing to be secured.

*Reliance Group companies have sued HT Media Ltd, Mint's publisher, and nine others in the Bombay high court over a 2 October 2014 front-page story that they have disputed. HT Media is contesting the case.*