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Home Finance, a 100% subsidiary of Reliance Capital, on Monday said its maiden debenture issue worth up to R3,500 crore will open on December 22.

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The base issue size is Rs 1,000 crore with an option to retain the over-subscription amount of up to R3,000 crore for secured NCDs and up to R500 crore for unsecured NCDs, thus aggregating up to R3,500 crore.

Home Finance, a 100% subsidiary of Reliance Capital, on Monday said its maiden debenture issue worth up to R3,500 crore will open on December 22. The public issue will open on December 22 and close on January 6, and the money raised will be utilised for lending, financing, repayment of loans and general corporate purposes.

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Unsecured NCDs will be in the nature of the subordinated debt and will be eligible for inclusion as upper Tier II capital.

“India’s mortgage-to-GDP ratio is still low at 10% in 2015-16 compared with other developing countries, but it improved from 7.4% in 2009-10,” Reliance Home Finance CEO Ravindra Sudhalkar said in a statement.

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“The recent push by the government to provide ‘Housing for All’ by 2022 and various steps taken to implement the same are expected to boost sales of affordable and low-cost housing units and consequently, financing for the same,” Sudhakar said.

The company provides a wide range of loan solutions such as home loans, loan against property and construction finance.

NCDs are being issued to institutional, non-institutional, HNIs and retail investors for a period of 3 years, 5 years and 10 years for secured ones and 15 years for unsecured ones with a call option after 10 years. The interest rates on secured and unsecured NCDs are also different.

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 are lead managers to the issue.