

Reliance ARC Looks to Raise Fresh Funds

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Mumbai: Reliance ARC, the asset reconstruction arm of the Anil Ambani Group, plans to raise fresh funds as it makes renewed bids to buy bad loans from banks.

The company will raise up to ₹75 crore through the sale of non-convertible debentures to institutional investors as early as next month, CEO Ravindra Rao said.

“This will be our first-ever debenture issuance and will make us a deemed listed company and give us some fresh funds to buy more bad assets. We continue to enjoy credit lines from a few state-run banks,” said Rao, who took over as CEO of Reliance ARC in March.

A part of Reliance Capital, Reliance ARC received the RBI license in February 2008. However, it has consciously stuck to buying small loans owed to banks by small enterprises and individuals. Hence, its assets under management (AUM) of ₹2,000 crore are less than those of larger peers such as Edelweiss ARC, which has about ₹45,000 crore in AUM.

The company’s total equity base is ₹160 crore and total debt ₹135 crore, giving it a debt to equity ratio of 0.8 times.