

Shriram Transport Finance to raise ₹5,000cr

Aparna.Ramalingam
@timesgroup.com

Chennai: Truck lender Shriram Transport Finance may raise nearly Rs 5,000 crore through securitisation of assets during the fourth quarter of FY 15.

Elaborating on raising of funds through the securitization of assets route, Umesh Revankar, MD of the company said the rates are much lower when compared to normal borrowing. "A securitisation transaction lending is at least 50 basis points (100 basis points=1%) lower than normal bank lending," Revankar said. The base rate (the minimum rate below which banks are not permitted to lend) currently ranges from 10% to 10.25%. The funds mopped up through such securitization would be deployed towards onward lending by Shriram Transport Finance.

In an investor presentation at the end of the second quarter of FY 15, the company said that it resorted to securitization of the loan book at regular intervals to fund new originations and maintain growth momentum. The company's securitized asset portfolio stood at Rs 11,427 crore at the end of the second quarter of FY 15.