
Shriram Transport to set up equipment financing subsidiary

Friday, 15 May, 2009

PTI reported that asset financing NBFC Shriram Transport Finance Company plans to set up a wholly owned subsidiary for conducting equipment finance business.

Mr R Sridhar MD of STFC said “We have obtained our board approval and this business should be operational in the next 3 to 4 months.”

Mr Sridhar said “Around 10% of our total portfolio comprises of equipment finance and there is a huge demand for equipment. Hence, our decision is to set up a subsidiary for this business.”

He said the subsidiary would mainly focus on construction equipment. There would be a capital requirement of INR 100 crore to INR 150 crore and Shriram Transport Finance would be providing this.

Mr Sridhar said it also plans to raise INR 1,000 crore through issue of non convertible debentures in tranches. We should be ready for the issue in about 2 month time. We will be appointing merchant bankers for this soon.

(Sourced from Press Trust of India)

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