

Shriram Housing Finance Raises \$50 m in First Overseas Borrowing

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Kolkata: Shriram Housing Finance has raised \$50 million in its maiden external commercial borrowing (ECB) as the lender is looking to diversify its funding source. Funds from the ECB will be used for the financing of affordable housing.

The mortgage lender, which is part of the Shriram Group, has raised the fund from Canara Bank's London branch at 200 basis points over Secured Overnight Financing Rate (SOFR), a company official said. One basis point is 0.01 percentage point.

The fund was raised for three years. The overall cost with one-year hedging cost has come to around 8.4%, the official said. This is in line with the company's average borrowing cost of 8.5%.

"We will be looking at this mode of raising funds in the future as well. While there are no targets we have set internally, we expect to raise another \$150 million this

year," said managing director Ravi Subramanian, adding that global investors are keen to tap into the potential that the affordable housing finance sector in India presents.

