

'We'll double our equipment finance biz in three years'



D K VYAS

CEO (financial services), Srei

After the share-swap agreement with BNP Paribas, how has the equipment finance business grown and what is the outlook for this year?

The equipment finance market has started growing. During January-August 2016, the growth was more than 20 per cent compared to the same period last year. This year, sale of equipment is

In June this year, Kolkata-based Srei Infrastructure completed a share-swap deal with BNP Paribas, whereby Srei Equipment Finance became a 100 per cent subsidiary of Srei Infrastructure. In return, BNP Paribas acquired five per cent stake in Srei Infrastructure. Through the deal, Srei expected to increase its focus on equipment finance, which it sees as one of its core businesses. **D K VYAS**, group CEO (financial services) at Srei, explains to **Namrata Acharya** how recent government policy changes have panned out in favour of the infrastructure sector, with a potential of releasing ₹50,000-60,000 crore stuck in government awards. Excerpts:

expected to be in the range of 70,000 pieces, with value of nearly \$3.2 billion. Last year, the sale of equipment was 50,000-52,000 pieces, with value of \$2.3-2.5 billion.

How does Srei plan to tap this growth potential?

We'll be focusing on our core business, which is equipment finance. At the end of the last financial year, our asset under management (AUM) was

under ₹18,500 crore. We expect it to double in the next three years to ₹36,000-37,000 crore.

What is the contribution of equipment finance in the entire business of Srei Infrastructure?

Total asset under management of Srei Infrastructure Finance was around ₹35,500 crore as of June 2016, out of which ₹19,500 crore came from Srei Equipment Finance.

In the next three years, we are going to grow our balance sheet in terms of equipment financing because the market is set to grow at 30 per cent year-on-year for the next three years. We might not see that kind of growth in infrastructure finance.

Will you also be looking at the overseas market?

We'll be focusing on the Indian market, mainly con-



struction, mining, equipment, road, irrigation, contract mining and a bit of urban infrastructure. We expect the Railways to add further to this growth. Next year, the

Railways will also be a growth driver for equipment sale.

How has your experience been in health care and rural infrastructure, given you are relatively new in those areas?

Health care has been a good experience. There has been no loss in the portfolio. We're building our rural portfolio as well as our vendor partnership base. We're focusing on partnership with select manufacturers. We'll leverage on their distribution and they'll leverage on our credit and collection skills.

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