

Srei Equipment, Syndicate Bank to jointly provide equipment financing under co-lending arrangement using iQuippo platform

Kolkata/Bengaluru, February 21, 2019: Srei Equipment Finance Limited ("Srei Equipment"), a wholly-owned subsidiary of Srei Infrastructure Finance Limited ("Srei"), today announced that it has partnered with **Syndicate Bank** to jointly provide equipment financing under co-lending arrangement for various equipment categories like construction, mining, material handling, commercial vehicles, medical and farm equipment.

The partnership has been done under the aegis of the Reserve Bank of India's ("RBI") circular dated September 21, 2018 that permits banks to engage with non-banking finance companies ("NBFCs") to co-originate loans for the creation of priority sector assets.

Under this arrangement, Syndicate Bank will leverage its low cost of funds to co-originate and co-lend equipment loans with Srei Equipment at a mutually agreed ratio.

iQuippo, a Kanoria Foundation initiative, will facilitate sourcing of loans under this programme. iQuippo is India's first and one-of-its-kind digital marketplace for construction equipment, machinery and services. The platform has been digitalising the fragmented construction equipment industry in India and aiding in the process of fair price discovery, higher asset utilisation rates and quicker pay-back period. iQuippo will aid both Srei Equipment and Syndicate Bank in deepening their reach in CME and commercial vehicles segment further.

Commenting on the programme, **Mr. Sunil Kanoria, Vice Chairman, Srei** said: "Innovative solutions are the need of the hour for NBFC space. At Srei, we have nearly three decades of unmatched experience. We are extremely positive that by bringing together our expertise with the strengths of Syndicate Bank we will be able to cater to requirements of the fast growing infrastructure equipment industry and act as a catalyst in India's economic growth."

Mr. Anant Raj Kanoria, CEO, iQuippo, said: "This is an important occasion for iQuippo as we bring on board Syndicate Bank as our partner for co-origination of loans. Our customers and stakeholders will benefit from the various services offered at the touch of a button. iQuippo's platform would help institutions to access the SME and MSME market seamlessly and bring efficiency and transparency in the process. It would enable Syndicate Bank to gain access to a large set of customers in their geographies which they were not servicing and also allow them to cross sell products apart from lending through the platform. Also with the bank's Managing Director's digital transformational push this would help digitise a lot of processes for the bank."

Mr. Devendra Kumar Vyas, Managing Director, Srei Equipment, added: "Creating customer-driven solutions has always been our top priority. We believe that the combined reach and resources of Srei Equipment and Syndicate Bank would enable customers not just to benefit novel finance solutions but also experience an array of new age banking products. Our deep industry understanding and partnerships with manufacturers would be significant growth drivers."

Mr. Mrutyunjay Mahapatra, MD and CEO, Syndicate Bank, said: "MSME sector constitutes an important aspect of the commercial value chain and ecosystem of the country. Typically the origination, borrower identification and preliminary due diligence have off late been done better by specialist NBFCs in this segment. Syndicate Bank, as a strategy, is entering into a number of collaboration arrangements under RBI's September 21, 2018 circular to benefit and synergise under the co-origination window."

"Under this arrangement there is a specified framework of responsibility sharing in various stages of the loan life cycle of MSME equipment financing. Srei Equipment shall be providing with both origination and collection expertise while Syndicate Bank shall be primarily responsible for underwriting and funding. The bank expects to garner a business of Rs 300 to Rs 500 crore in the in the next three months under this arrangement. The bank is also working with other finance and technology companies in microfinance, supply chain finance and agri finance to enlarge the different tie-ups and engagements. Successful working of these tie-ups could be a game changer in MSME, rural and agri financing," Mr. Mahapatra added.

About Srei Equipment Finance Limited:

Srei Equipment Finance Limited ("Srei Equipment"), a wholly-owned subsidiary of Srei Infrastructure Finance Limited ("Srei "), is an industry leader in construction and mining equipment financing. The company enjoys a pan-India presence with 90 branches as on September 30, 2018. Srei Equipment has an experienced management team having significant expertise in the financial services sector.

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