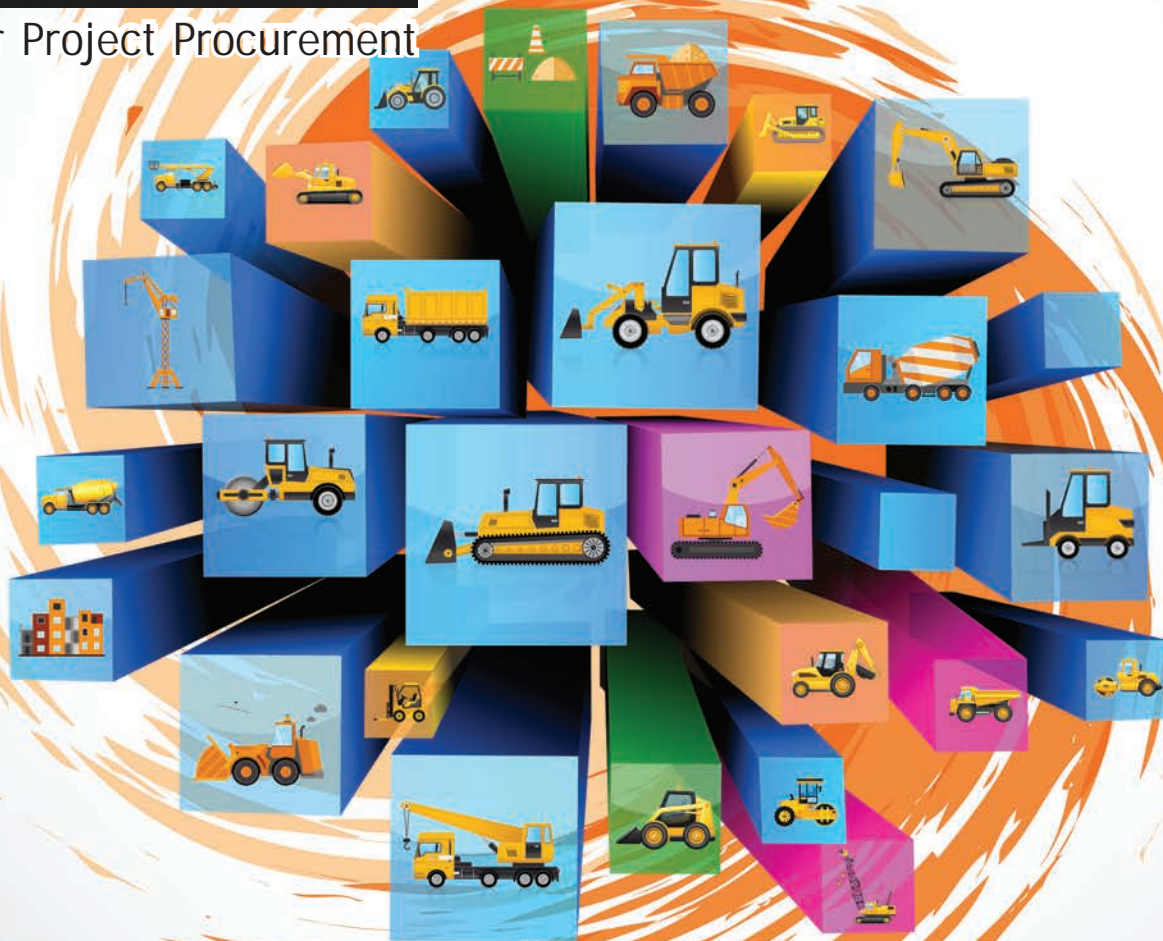


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**EXCON** 10<sup>TH</sup>  
 EDITION

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A confluence of technology and solution providers, the largest event for construction equipment is back with its 10<sup>th</sup> edition.



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# We will introduce customised finance and leasing scheme at EXCON 19

*Devendra Kumar Vyas,  
MD, SREI Equipment  
Finance Ltd.*



**According to you, did the government policies rejuvenate an ailing market and make way for the construction equipment manufacturers to capitalize?**

Slowing private consumption, weak consumer demand, and a flagging global environment are the key factors behind the slowdown being currently faced by the core Indian sectors. The impact is faced across all industries including auto, manufacturing, construction, real estate and FMCG. The use of construction pervades various such industries, and is thus impacted by not only by the policies aimed specifically at infrastructure, or construction equipment, but also by the policies in the other segment.

Worldwide, redoubling of investment in infrastructure is a key strategy to counter the impacts of a downturn as empirical evidence indicates that public investments precede any pickup in economic activity. For a long time now, the infrastructure sector is being driven primarily by policy facilitation and push in public spending by the central government. The participation of private sector investments has remained tepid.

The government has taken several measures to revive the private sectors including a massive cut in corporate taxes, a Rs. 25,000 crore fund to boost realty sector, and capital infusion into public sector banks. I believe, these measures will go a long way in improving the sentiments of these industries, and it is just a matter of time for investments to materialize in the private sectors.

**What is your view on the future of the construction equipment market?**

The domestic sales of construction equipment have fallen by around 17-20 per cent in the

first half of this fiscal. The impact is much more severe when it comes to construction equipment financing, whose disbursements are further down in the same period as it was doubly impacted by the slowdown as well as the credit crisis. I believe that once the stimulus measures by the government to revive domestic investments kick in, the effect will be immediately felt in the construction equipment segment.

As per a CRISIL report, to sustain a GDP growth upwards of 7.5 per cent over the next decade, India needs Rs 235 lakh crores of investments in infrastructure. For infrastructure segments like road, which has seen a lion's share of such investment in the past, the equipment intensity (equipment cost as a percent of overall project cost) is as high as 15-20 per cent, while for the other segment it ranges between 5-20 per cent. I believe, we will shortly see the industry revive and achieve the 20 plus per cent growth it had witnessed in the recent past.

**Going forward what trends do you foresee in the equipment financing industry?**

Customer preferences are ever evolving. Revolutionary trends appear to be emerging in the equipment financing sector. Dealers and OEMs are expected to offer customers integrated choice, which will include the equipment finance (and could also cover the

We have tied up with leading global equipment manufacturers and are coming up with a lot of exciting schemes with customised financing solutions covering the entire asset life-cycle to our customers.

life cycle financing of the equipment). Currently, there are a few companies which provide a platform for equipment owners and customers to interact and avail of equipment services. This could be a good opportunity for finance companies to participate and ensure that all finance needs are met. Customer's demand for greater flexibility and convenience will augment the use of nonstandard financing agreements. Shifts in customer preference for managed services (bundling equipment, services, supplies and software), pay-per-use leases and alternative financing will encourage equipment finance companies to find innovative ways to meet the demand.

**Tell us something about your latest equipment finance plans? What does an event like Excon mean to you?**

Customer needs are central to our business plans. In a move which will significantly benefit our customers, we have recently tied up with five scheduled commercial banks to provide joint loans to our customers. The combined reach and resources of the two lenders under these blended lending arrangements will benefit customers with faster credit delivery and provide them access to life-cycle finance opportunities.

We have also tied up with iQuippo, an end-to-end digital lending marketplace where a customer can choose

the most suitable offer, from our tie-ups. The platform will provide transparency and simplify the loan application process and will make equipment finance decisions easy for our customers.

Events like EXCON serve as confluence ground for all industry participants – manufacturers, customers, financiers and regulators. It provides us a perfect platform to meet our key stakeholders and understand their needs. We generate a lot of enquiries and eventual business at the event.

In this 10<sup>th</sup> edition of Excon, we have tied up with leading reputed global equipment manufacturers and are coming up with a lot of exciting schemes for our customers at the event. This year, our focus is to provide customised financing solutions covering the entire asset life-cycle to our customers. We will also be launching exciting leasing schemes and also loyalty schemes for our customers. Our customers can also participate in commercial games to win attractive interest rates and terms.

Our customer engagement activities will not be limited to the venue, but will instead be carried out across the country since we consider the period of Excon as the biggest celebration for our industry. ■