

# Digital Lender "Prest Loans" Forays into Electrical Vehicle EV Financing Segment Collaborates with Eqaro Guarantees and Terra Motors

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- Prest Loans to encourage self-employment and support clean energy initiatives
- Prest sees EV segment as a huge opportunity in next 5 years

Prest Loans, a Dehi based, fast growing digital lending company ([www.prestloans.com](http://www.prestloans.com)) has forayed into financing of electrical vehicles (EVs). It has collaborated with a leading Japanese electrical vehicle manufacturer, Terra Motors offering quality products and with Mumbai based Eqaro Guarantees for providing guarantee against credit defaults. This will help it to provide easy, fast and affordable financing to driver buyers of electrical vehicles (EVs) to positively impact their lives. The entire process of providing this credit facility shall be automated and user friendly considering these borrowers profiles. It plans to do tie up with more manufacturers and last mile delivery service providers.

Under an existing agreement between Prest Loans and Eqaro Guarantees, Eqaro also extends credit default guarantees for loans extended to small businesses & MSMEs by Prest. The new initiative will help broaden the scope of offerings. Approximately 70% to 80% of the value of electric vehicles will be financed by Prest Loans. Prest Loans already have a risk-based scoring mechanism called 'Prest Score' to analyse the borrowers profile based on non-financial parameters and the risk engine decides the Rate of Interest to be charged and tenure of loan.

Under the three-way arrangement, Eqaro Guarantees extends credit default guarantees on the loans extended by Prest Loans for the purchase of electric vehicles while the manufacturers provide quality & buy back guarantee of repossessed vehicle in case of default. The presence of the guarantor improves lender confidence which benefits the borrower by way of lower interest rates, longer tenures and lower EMIs.

The specially designed and customised product is aimed at borrowers of both passenger and load-carrying electric vehicles including E-rickshaws, E-carts, loaders, delivery vehicles, etc. The arrangement is directed towards providing credit default guarantees to individuals as well as corporate entities for buying new electrical vehicles and get instant funding from Prest Loans without any hassles.

Overall, the guarantees help make credit accessible to a segment that has been severely impacted due to the pandemic in terms of job losses and migrants. The electric vehicle industry is also struggling to an extent but has the potential to support the livelihoods of the poor and migrant workers by helping them to buy and run EVs in their local areas.

Mr. Ashok Mittal, CEO, Prest Loans said, "E-vehicles is a new segment to finance in India. It does not enjoy high levels of lender confidence as there is no evolved pre-owned vehicle market or predictable prices for second-hand E-vehicles. Having a credit default guarantee helps reduce risk and boost lenders' confidence. Our core philosophy to support self-employment and create an impact in the society will further strengthen with this guarantee arrangement. We see EV market growing exponentially in next 5 years and would like contribute to its growth."

Mr. Vikash Khandelwal, CEO, Eqaro Guarantees said, "We are delighted to partner with Prest Loans and Terra Motors for financial default guarantees that can help institutional as well as individual borrowers' get easier access to credit for the purchase of electric vehicles. Financial Default Guarantees helps borrowers improve their creditworthiness and obtain better terms for its borrowing program from a wider set of lenders. India's E-auto market is a huge opportunity. Our guarantees will support the government's thrust on green mobility & help hasten the adoption of electric vehicles."

Mr. Ahikuro Ueda, CEO, Terra Motors said, "The partnership between Terra Motors' affordable, high-quality EVs and Eqaro's credit default guarantees will expand opportunities and incentives for all segments of the Indian potential user to purchase EVs. It will be a big step toward creating a safer and much better lifestyle."

#### About Prest Loans

Prest Loans; trade name RBI registered NBFC Lord Krishna Financial Services Ltd., India's leading and fast-growing online lending and financial services provider is based out of Delhi.

The Company is focused on providing financial assistance like business loans, SME loans and electrical vehicle (EV) loans to encourage and support the self-employment and create an impact in the society for under serviced segment largely operating in North Indian market.

#### About Eqaro Guarantees

Eqaro Guarantees offers financial security in the form of guarantee and surety to project owners, supplier principals, and brand owners alike, protecting them from financial exposure to their contractors, clients, dealers, or franchisees. The company, a pioneer in the field of surety in India, is focused on delivering creative and customized bonding solutions. Their strengths lie in expert underwriting & in-depth knowledge of the Indian infrastructure and financial services industry. The company is backed by the financial strength and global expertise of Ion Insurance Company Inc (USA), Southern Pacific Insurance Corporation (USA) & Northern Light Surety Company SRL.

#### About Terra Motors

Terra Motors' vision is "to create new industries and make society more convenient". Terra Motors is a Japanese global venture company that aims to be a leading company in sustainable e-mobility, developing, manufacturing, selling, and providing after-sales service for EVs (electric two-wheelers and three-wheelers). In addition to the Tokyo headquarters, the company has operations in three other Asian countries.

Terra Group believes that through their endeavours they are contributing to the creation of job opportunities for low-income people around the world, the improvement of their lives, and the realization of a prosperous society.

Image 1: Prest Loans and Terra Motors signing the agreement

Image 2: L to R: Mr. Ashok Mittal, CEO, Prest Loans, Mr. Vikash Khandelwal, CEO, Eqaro Guarantees and Mr. Ahikiro Ueda, CEO, Terra Motors

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