

Prest Loans forays into EV financing segment; collaborates with Eqaro Guarantees and Terra Motors

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New Delhi: Prest Loans, a Delhi based, digital lending company has forayed into financing electrical vehicles.

It has collaborated with a leading Japanese electrical vehicle manufacturer, [Terra Motors](#) offering quality products and with Mumbai based [Eqaro Guarantees](#) for providing guarantees against credit defaults.

This will help it to provide easy, fast and affordable financing to 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-ups with more manufacturers and last-mile delivery service providers.

Prest Loans to encourage self-employment and support clean energy initiatives

Prest sees the EV segment as a huge opportunity in the next 5 years

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 the 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 & buyback guarantee of the repossessed vehicles 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.

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 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."

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."

Ahikiro 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."

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