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Mahindra Finance in talks with GM, Hyundai to tap rural market

May also tie up with two-wheeler cos

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Mahindra & Mahindra Financial Services Ltd (MMFSL), which specialises in retail auto finance for the rural sector, is in talks with General Motors India (GM) and Hyundai Motor India for a possible tie-up to provide finance to the two companies' product range for the rural areas, according to Mr Ramesh Iyer, Managing Director.

The company has a similar pact with Maruti Suzuki India, which was signed a

► *The company has also diversified into finance sales of commercial vehicles.*

year ago. MMFSL is also in talks with two-wheeler companies such as Hero Honda, Bajaj Auto and TVS Motor.

"Though we are in talks with these companies, we would like to prove ourselves worthy in front of them," said Mr Iyer.

"We have clocked 20,000-25,000 units so far in

the past six months; we wish to double these sales before offering them a lucrative proposition that is mutually beneficial."

The company has also diversified into finance sales of commercial vehicles with leading players such as Tata Motors and Ashok Leyland.

Though the numbers are relatively small, the market

is likely to grow steadily, Mr Iyer added.

Mahindra Finance has its own chain of 428 branches across the country; ever since the tie-up with Maruti, it has been clocking sales of 5,000 units on a monthly basis.

Currently, GM and Hyundai are undergoing dealer expansion; GM is set to have a chain of 114 dealers and 120 service centres by the end of the year, while Hyundai is gearing up to touch a total of 250 dealers and service centres by the year-end.