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MMFSL to sew up loan plans

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MAHINDRA & MAHINDRA Financial Services Ltd (MMFSL), the loan and credit arm of the Mahindra Group, is set to finalise its plans for giving home loans to customers in rural and semi-urban areas.

The new venture, to be named Mahindra Rural Housing Finance, has already secured two of the three clearances required by a non-banking finance company (NBFC) to enter the home loan segment.

"We are waiting for a clearance from the National Housing Board. Otherwise we are prepared for disbursing loans to customers," Ramesh Iyer, Managing Director, Mahindra Finance said.

The new home loan arm would be called Mahindra Rural Housing Finance, Iyer told the media today. MMFSL had earlier

SEMI-URBAN, RURAL FOCUS

revealed its plans to enter home loans, personal loans and two-wheeler loans. Speaking on the viability issues for the venture, Iyer said that the company would be targeting its existing customer base in tractor and vehicle finance, which is in excess of 6 lakh portfolios.

The company has registered a rise of 28 per cent in its Profit Before Tax (PBT) during fourth quarter of financial year 2006 - 07 to Rs 88.60 crore from Rs 69.49 crore in the same quarter of the previous year. PBT for financial year 2006-07 stood at Rs 202.74 crore, up 25 per cent from Rs 162.15 crore in 2005-06.

MMFSL has also run a pilot project for two-wheeler loans in Maharashtra and Gujarat.

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