



## HPCL and Mahindra Finance tie up for Rural Financing

*Tie-up will almost double Mahindra Finance's rural reach to provide financial products and services, and HPCL will have more value offerings for its rural customers*

Mumbai, October 4, 2005: Mahindra & Mahindra Financial Services Ltd (Mahindra Finance), India's leading private rural finance company and a 97% subsidiary of Mahindra & Mahindra Ltd., and Hindustan Petroleum Corporation Limited (HPCL), India's second largest Oil Refining and Marketing Company today announced the signing of a tie-up to explore synergistic business opportunities between them. Through this tieup, Mahindra Finance will get access to HPCL's wide rural distribution network across India and would be able to offer value-added financial products and services to its rural and semi-urban customers.

Mahindra Finance provides loans for the purchase of utility vehicles and tractors manufactured by the parent company Mahindra & Mahindra Ltd., and for purchase of cars of reputed manufacturers and also pre-owned vehicles.

The agreement was signed by Mr. Ramesh Iyer, Managing Director, Mahindra Finance, and Mr. Tejbir Singh Sawhney, Dy. General Manager (Highway Retailing), HPCL.

"We are happy to be associated with HPCL, and this tie-up is a part of our strategy to provide continuous value to our customers. This association will help us increase our rural reach significantly from the existing 277 branches to potentially 650 branches", said Mr. Ramesh Iyer.



Addressing the gathering on the occasion, Mr. S. P. Chaudhry, Executive Director (Retail) of HPCL said, "We are delighted to enter into this alliance with Mahindra Finance which is in line with our thrust on the rural segment. HPCL has set up low cost rural retail outlets called "Hamara Pumps" which have been improvised as multipurpose "Kisan Vikas Kendras", offering a 'single window' supply point for the farmers to source their fuel, seeds, pesticides and other needs. By having Mahindra Finance as a part of this major initiative, our customers will be able to avail of finance for their purchase of tractors and other farming needs."

Speaking on the occasion, Mr. Bharat Doshi, Executive Director, Mahindra & Mahindra Ltd. & President - Trade & Financial Services Sector of the Mahindra Group said, "It is our constant endeavour to be close to the customer. A tie-up of this nature will add further impetus to the already growing rural economy and will provide various opportunities for rural development."

The tie-up between Mahindra Finance and HPCL will offer many strategic opportunities to both the companies. For HPCL, it includes value added services of extending credit to its customers in addition to effective utilization of space in their various outlets due to

Mahindra Finance's opening branch offices. It will also lead to an increase in customer traffic at HPCL outlets and result in additional sale of petrol, diesel and other oil products at these outlets.

For Mahindra Finance, along with increasing its reach, its existing and prospective customers will now be able to purchase various loan products at all such outlets for buying tractors, utility vehicles of M&M and vehicles manufactured by non-competing reputed companies as well as pre-owned vehicles. Mahindra Finance operates through its own branches through empowered employees, which has helped it to cross an asset base of Rs.4000 crores. The loan disbursals have gone up by 45% from Rs.2303 crores in 2003-2004 to Rs.3343 crores in 2004-05.



Hindustan Petroleum Corporation Limited (HPCL) has a large network of above 7,000 petrol pumps across the entire cross-section of the country, out of which approx. 1000 are in rural areas. These include the fuel pumps in remote villages with a very small population and away from the highways.

HPCL is the first oil company in India that addressed the concern of a lack of fuel outlets in remote areas through setting up petrol pumps in remote villages, branded as "Hamara Pumps". As an extension of Hamara Pump, HPCL has provided value added products and services catering to agri needs in order to provide a one stop shop solution to rural consumers thru "Kisan Vikas Kendras" (KVKs). Products offered by HPCL at these Kisan Vikas Kendras include fertilizers, seeds, tractor and farm equipments, pesticides and other general merchandising.

In addition, these KVKs provide various other facilities & conveniences like a sheltered place for farmers to rest and relax toilets, filtered drinking water, etc.

The current Agreement with Mahindra Finance will facilitate the farmers in addressing their critical requirement of credit at a single window. Mahindra Finance & HPCL will complement each other in their reach to rural customers.

Mahindra Finance has increased its network to areas like Sikkim, Guwahati and other towns of North - East. It has recently added branches at 35 new locations, thus having a branch network of 277. Mahindra Finance today covers almost 80% of the districts in India.

Mahindra Finance designs tailor-made schemes to suit customer convenience for each product and each location. Mahindra Finance's assets are valued at Rs.4269 crores, while its Profit Before Tax is Rs.133 crores.



Mahindra Finance has a wholly-owned subsidiary company - Mahindra Insurance Brokers Ltd., which is into broking of life and non-life products, and has tie-ups with various public and private insurance companies to cater to customer needs.

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