

## M&M Finance eyes S Korea, S Africa, China

Niladri Bhattacharya / Mumbai May 10, 2011, 0:01 IST

After starting operations in the US, Mahindra & Mahindra Financial Services Ltd (MMFSL) now plans to enter South Korea, South Africa and China. Automobile major Mahindra & Mahindra has a strong presence in these countries.



“We have started commercial operations in the US and have identified three more markets where our parent company is already functional,” Mahindra Finance Managing Director, Ramesh Iyer, told Business Standard.

In South Korea, the non-banking finance arm of the \$11.1-billion Mahindra Group, would target the auto finance segment, while in China, it would seek to provide tractor financing options. For South Africa, the company is looking at the options of financing both utility vehicles and tractors.

M&M Finance has set up a team to study the markets and the regulatory requirements in these three markets. “This would give us some idea about the market, competition and growth potential in these countries. We would be taking a route similar to that in the US and would enter into a joint venture with a strong local player in these countries,” Iyer said.

Earlier in the year, the company entered into a joint-venture with De Lage Landen Financial Services to provide finance to US-based tractor dealers. DLLFS is a wholly-owned subsidiary of Rabobank Group which specialises in asset-based financing programmes for equipment manufacturers, dealers, and distributors worldwide.

“In South Korea we would be looking to leverage the network of Ssangyong Motors, Iyer said. In China, Mahindra and Mahindra is present through two joint ventures to manufacture tractors suited to Chinese farming conditions and practices. In South Africa, the automobile company sells all its major products.

MMFSL provides finance for utility vehicles, tractors and car and managed assets worth \$3 billion as on March 31, 2011. During 2010-11, it reported net profit of Rs 463 crore, a rise of 35 per cent, compared to the figure of Rs 343 crore it reported in the corresponding period a year ago. The non-banking financial company grew its loan book by 62 per cent to Rs 14,420 crore for the year, compared with Rs 8,915 crore during the same period of the previous year.