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Auto companies say not their line of business...

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With the Reserve Bank of India allowing companies with extensive retail networks to act as business correspondents (BC), automobile companies have an additional business avenue.

Industry experts, however, said the companies might not show much interest, as models for the two lines of business were different.

Maruti Suzuki India Chairman R C Bhargava said: "It is not our expertise to act as BCs on behalf of banks. We have to understand the implications of such a venture. There are no plans to explore the avenue."

Ashwin Parekh, partner, Ernst and Young, said: "Automobile companies can act as BCs technically. However, there is no natural connection with the business that they do." As a BC, automobile companies would have to depute people to

collect and dispense cash, which they might not choose to do, he said.

Abizer Diwanji, an analyst at KPMG, agreed: "Telcos already act as service providers and they will be more comfortable in undertaking such a business. Auto companies can participate but they need to have a significant presence in rural areas."

Maruti Suzuki, the largest car manufacturer of the country, has 802 sales outlets in 555 cities.

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Page : 2

Toyota Kirloskar to hike vehicle prices

Toyota Kirloskar Motor said on Wednesday it will raise the price of its vehicles by up to ₹29,000 from October 1 to offset rising input costs and foreign exchange fluctuation. "The price increase of the Innova, Corolla Altis and Fortuner will be up to 1.50 per cent," a company official said.

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Page : 6



Audi launches petrol Q7

The German luxury carmaker has launched a petrol variant of its sports utility vehicle Q7 in India, priced at Rs 59.29 lakh (ex-show-room, Delhi).

Compiled from agencies