Mahindra

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REF:NS:SEC:
20th March, 2015

The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400051.

Dear Sirs,

**Sub: Mahindra First Choice Wheels (MFCWL) Raises $15 Million From San Francisco Based Valiant Capital**

Please find enclosed a Press Release issued by the Company on the captioned subject.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY.

Encl: a/a

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Mahindra First Choice
India's no.1 Multibrand Certified Used Car Company

**Press Release** **For Immediate Dissemination**

# Mahindra First Choice Wheels (MFCWL) Raises $15 Million From San Francisco Based Valiant Capital

**Mahindra First Choice Wheels Ltd. – USPs**

- *India's No.1 multi-brand certified used car company,* ***Mahindra First Choice Wheels Ltd. (MFCWL*** *www.mahindrafirstchoice.com), has a network of nearly 500 Franchise outlets spread across 240+ towns in the country which includes metros, mini metros and smaller towns. Used car sales for the company have grown at a CAGR of 40% over the last 5 years. The cumulative retail footprint under the Mahindra First Choice brand is in excess of a million square feet*
  - *The company has created a unique franchisee driven business model and is on a mission to transform the way used cars are retailed in the country. It's also the winner of the prestigious "Franchisor of the year" award in the Automotive business category by Franchisee India and the Mint Strategy award in 2015*
  - *MFCWL's mission is to help consumers find, buy and own a pre-owned car with confidence. Its strong brand is supported by industry leading certification and warranty products*
- *Market leader in the online wholesale auction space, having sold over 2,25,000 vehicles through the* ***eDiig*** *auction platform (www.ediig.com)*
- *Created India's first organized third party vehicle inspection product* ***Autoinspekt*** *(www.autoinspekt.com). Launched in June 2013, over 1,50,000 inspections have been conducted for vehicles in all categories – passenger cars, commercial vehicles, tractors and two wheelers*
- *MFCWL has recently launched India's first and only analytically driven used vehicle pricing guide,* ***Indian Blue Book – IBB*** *(www.indianbluebook.com) which has fast become the industry standard for used car pricing. Enhancing the model, the company has also launched a used tractor pricing guide* ***IBBTractor*** *(www.ibbtractor.com).* ***Additionally,*** *to enable users to assess vehicle residuals, the company has also launched a residual estimator* ***IBBResiduals*** *(www.ibbresiduals.com)*

**March 20, 2015, Mumbai:** Mahindra First Choice Wheels Ltd. (MFCWL), India's No. 1 multi-brand used vehicle company, has signed a definitive agreement to raise $15 million (Rs. 94 Crores) from San Francisco based investment advisor firm, Valiant Capital for a minority stake in the company. This is the second round of external private equity raised by MFCWL, with the first one in 2008 from Delhi based Phi Capital, who continues to be an investor in the company.

MFCWL has experienced rapid growth in its retail, wholesale and technology enabled businesses. The capital will be used to fund its growth plans over the next few years.

Founded by Mr. Anand Mahindra, MFCWL's mission is to "organize" every facet of the used car industry and most important of all provide the used car consumer with a choice of certified pre-owned vehicles and a

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purchase experience that mimics the new car buying experience. **"MFCWL is yet another example of innovation and entrepreneurship within the Group, where new business models are being explored and implemented with persistence. It is exciting to see marquee investors attracted to MFCWL and participating in its growth story where much is yet to come!" said Mr. Anand Mahindra, Chairman & Managing Director, Mahindra & Mahindra and also the Chairman of Mahindra First Choice Wheels.**

MFCWL is the only true used car business with a successful "hybrid" business model bridging the consumer experience online and on the ground. With the physical presence critical to the used car business, the company has invested aggressively to provide consumers with a consistent omnichannel experience. Commenting on this strategy, **Mr. Rajeev Dubey, President (Group HR, Corporate Services and After-Market) & Member of the Group Executive Board, Mahindra & Mahindra Ltd. said, "We believe the "brick + click" ecosystem is very powerful in the used car business and over the years we have seen our consumers and dealers appreciate this value proposition. We will continue to invest in the overall growth of the hybrid model in the years to come".**

To enable the hybrid used car ecosystem, MFCWL has launched several technology enabled products and services to address the key drivers of trust deficit in a used car transaction namely – vehicle condition, paperwork, pricing and experience. **"Consumers are looking for more tools and insight related to used vehicles. We are leveraging our deep wholesale and retail experience on the ground to launch a slew of technology enabled products that will materially increase the confidence with which they can transact on used vehicles – whether buying or selling", said Dr. Nagendra Palle, CEO & Managing Director of MFCWL.** He added, **"We have had a very successful partnership with Phi Capital over the years and we welcome Valiant Capital as a new partner to support us in our endeavour to become a world class used car company."**

The company plans to use the fresh funds infusion to accelerate its growth both of the physical network as well as adoption of its technology enabled products and services used by all stakeholders in the industry – NBFCs, Banks, OEMs, Dealers and Consumers. MFCWL is planning to end this fiscal year (2015) with 500 franchise outlets and grow to 1,800+ outlets in the next 5 years. In addition, it plans to use the funds to broaden its reach for its products and services across other used vehicle categories. In Fiscal Year Ending 2015, MFCWL used vehicle volumes sold will be 140,000 between its retail and wholesale and it will complete 140,000 Autoinspekt inspections,

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The used car market, with an estimated size of 3.2 million units, is already larger than the new car market and is growing faster than the new car market. The current slowdown notwithstanding, it is expected that the used car market will become almost double the size of the new car market in the next 5 years.

## About Mahindra First Choice Wheels

Mahindra First Choice Wheels Ltd. (MFCWL) (www.mahindrafirstchoice.com) is the country's preferred used car mart and is India's number one multi-brand certified used car player. The company plans to expand this number to 1000 outlets over the next three years. This implies that customers will soon be able to choose from a range of certified used cars throughout India, including the metros and tier-2 towns and cities. MFCWL closed F-14 with sales of 57,000 used cars, which is 30% growth over the last financial year. The company also provides value added services including but limited to third party inspections (www.autoinspekt.com) and pricing guides (www.indianbluebook.com)

## About Valiant Capital

San Francisco-headquartered Valiant Capital Management, L.P. ("Valiant") currently manages over $2.5 billion of assets and was founded by Chris Hansen in 2008. The Fund has a strong track record of investing in private and public markets globally. Prior private investments include Facebook, DropBox, Pinterest, Uber, and Evernote in the US, and Yatra Online, Shriram Housing Finance, FreeCharge and First Cry in India.

## About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.5 billion multinational group based in Mumbai, India, Mahindra employs more than 200,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2014, Mahindra featured on the Forbes Global 2000, a comprehensive listing of the world's largest, most powerful public companies, as measured by revenue, profit, assets and market value. The Mahindra Group also received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category in 2013.

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