

Mahindra's FirstChoice Wheels plans chain of 300 outlets Pan-India

Emerging

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Mumbai: Mahindra & Mahindra (M&M), India's leading automotive major and a diversified global multi-national, today announced that FirstChoice Wheels (the country's largest chain of multi-brand pre-owned cars), has raised Rs. 80 crore through a private placement and rights issue to unlock value and fuel growth. The funds raised will be used to finance the roll out of FirstChoice's chain of 300 owned and franchise outlets across the country.

The private placement agreement was inked with Phi Advisors, which is promoted by Mr. Anupam Thareja and Mr. P. Sivaram.

The new After-Market Sector, which was launched recently, is thus looking at augmenting the presence of its pre-owned car multi-brand stores across the country.

The After- Market Sector is a new business vertical, which aims to replicate the new vehicle eco-system in the pre-owned vehicle space.

Mr. Rajeev Dubey, President After-market Sector, M&M, said, 'Our vision is to corporatise the pre-owned used car business, which is a pioneering effort by the Mahindra Group. FirstChoice is at the threshold of its next phase of growth and the infusion of funds and a partner like Phi would help transform the company into a truly pan – Indian player, helping us consolidate our

leadership in the multi-brand pre-owned car industry.'

Mr. Vinay Sanghi, CEO – FirstChoice Wheels, added, 'FirstChoice has gained the first mover advantage as the leading organised player in the pre-owned car market. With an excellent team and systems in place, we are targeting 1,00,000 vehicle sales per annum by 2013. With this funding, we will increase our reach to over 300 outlets. This will include 30 Franchise Super Stores, each of which will have a stock of over 200 cars on display.'

The pre-owned car market which currently stands at 1.5 million cars per year is expected to grow exponentially in the coming years given the increasing disposable incomes of Indian families. The pre-owned car industry is expected to reach a size of 50,000 crore in the next 5 years. This will eventually procreate peripheral businesses to support the pre-owned car industry.

M&M introduced the After-Market sector in April 2008 to capitalize on the business opportunity of selling multi-brand pre-owned cars and to subsequently provide spares and service support through this new sector.

About The Mahindra Group

The US \$6 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top tractor brands in the world. Mahindra's Farm Equipment Sector has recently won the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. Mahindra is the market leader in multi-utility vehicles in India. It made a milestone entry into the passenger car segment with the Logan.

The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade and logistics, automotive components,

information technology, and infrastructure development.

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