

Companies

Used-car platform Spinny raises ₹315 crore in Series B funding

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Investment led by Nandan Nilekani-backed Fundamentum Partnership

Spinny, an online used-car retailing platform, has raised \$43.7 million (₹315 crore) in a Series B funding round led by Fundamentum Partnership, a growth-capital fund backed by Nandan Nilekani and Sanjeev Aggarwal for domestic mid-stage technology companies.

The round also counts new investors — US-based General Catalyst Partners and Korea-based KB Financial Group — and existing investors Accel, SAIF Partners and Alteria Capital, as co-investors. The funds will be used to invest in technology, strengthen business teams, enhance customer experience and expand to newer cities. Spinny is currently present across four cities in India and has sold close to

10,000 cars through its platform. Ashish Kumar, Partner, Fundamentum, will join the Spinny board, a statement from the company said.

Fast lane

The used-car segment in India is on a fast-growth trajectory owing to the rise in the number of first-time car buyers looking for quality yet affordable four-wheelers, as well as existing car owners reducing their holding time from 6-7 years to 3-4 years, upgrading to newer models. According to industry reports, for every new car sold in India, approximately 1.3 used-cars are sold. Currently, the Indian pre-owned car market stands at 4.3 million units sold annually, growing at 14 per cent CAGR.

However, despite the soaring demand, only about 18 per cent of the market is organised. This fragmented nature of the market offers a huge opportunity for digital-first players like Spinny to organise and disrupt the space, said the release.

“I like full stack businesses that are building competitive differentiation as they scale,” said Nilekani, co-founder and Chairman, Fundamentum. “The Fundamentum team was impressed with the Spinny team’s ability to use technology to solve for operational friction in the business, and thereby build a sustainable advantage.

This fits into Fundamentum's thesis of backing long-term-oriented entrepreneurs to solve complex business problems using technology and who aspire to build a company at scale and to last."

O2O sales model

Founded in 2015 by Niraj Singh, Mohit Gupta and Ramanshu Mahuar, Spinny is a technology-enabled full-stack pre-owned car platform that aims to bring about transparency and convenience. The platform's online-to-offline (O2O) model allows customers to discover cars on its website and make the final purchase offline at a Spinny Car Hub.

Customers on Spinny's website can view an assortment of cars available for sale, filter them based on his or her requirement and schedule a test drive at the nearest Spinny car hub. They can also opt for free home delivery. Spinny's price-engine eliminates all layers of middlemen and dealers, and takes into account car conditions and market trends to provide the right price for the car, said the release. Once a customer books a car, Spinny takes care of all the paperwork for the customer, including free RC transfer. It also provides financing options via tie-ups with banking partners.

"With the increase in disposable income levels and evolving consumer demand, we want to be the market leader in the organised used-car market segment and provide our customers with a completely trustworthy and hassle-free buying experience," said Spinny co-founder and CEO Singh. "With the closure of this round of funding, we are excited to have on board new investors Fundamentum, General Catalyst and KB Financial Group in our journey and, look to leverage their vast experience across both venture and operating roles."

Entire value chain

"While, on the surface, this looks like a space with many digital players, no one has built an entire value chain for a used-car buying platform at the scale that Spinny has," said Ashish Kumar, Partner,

Fundamentum. “Niraj and team have truly made the used-car buying process seamless on their platform and have added value to the customer. I look forward to working with Niraj and the co-investors in this exciting journey.”

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