

# Top e-bus maker woos investors; valuation pegged at ₹2.5K cr

## FACT FILE

■ PMI Electro Mobility Solutions has delivered 916 electric buses across the country, of the 3,500-odd currently plying on roads

■ Will expand to intercity buses, as well as light and medium commercial vehicles

■ Participated in the just-

concluded largest electric bus tender floated by CESL

■ Expects to hit revenues of ₹900 crore by 2022-23

■ Achieved localisation of 50%

■ Apart from strategic investors, has also had talks with potential cell manufacturers for picking up a minority stake in the company



**SURAJEET DAS GUPTA**

New Delhi, 22 December

PMI Electro Mobility Solutions, one of the largest electric bus makers in the country, is looking for a strategic investor, as well as private equity funds, to pick up stake in the firm. Independent financial advisors have pegged the valuation between ₹2,000 crore and ₹2,500 crore, according to its executives.

Confirming the move, Manvi Jain, head, corporate affairs, at PMI, says: "We are looking at equity dilution and talking to funds for a stake in PMI as we see volumes going up year-on-year. We have done a valuation by a financial consultancy, and it has valued us at ₹2,000 crore to ₹2,500 crore, based on our revenue projections."

Jain says that the company is profitable and achieved its FY22 revenue target of ₹350 crore. It has projected revenues of ₹850 crore to ₹900 crore in FY23, which is well on track, since the company has already hit revenues of

₹700 crore in this financial year.

Jain adds that the model for dilution would not necessarily be giving equity upfront, but could also be in offering convertible debentures or preference shares or, in fact, any model which gives them comfort. The amount of dilution would depend on whether the investor is only bringing in money or also adding value to the company's business.

PMI needs the investment for financing the production of the new buses on order which is around ₹1.2 crore apiece, including associated infrastructure. It is also planning to get into the inter-city electric bus market, which is expected to open up to the private sector, and eventually enter the light and medium commercial vehicles space as well.

PMI, which has delivered over 900

e-buses to state transport undertakings, has been locking horns with big players like Tata Motors and the Olectra-BYD combine. Currently, there are around 3500 electric buses in operation across the country, with mainly six players in the game. PMI has recently participated in a

tender floated by Convergence Energy Services for 6,450 buses — the country's biggest electric bus contract yet — and has bid for two Delhi government contracts for around 2,900 buses.

Jain says companies like PMI, which only manufacture e-buses, find it challenging to get finance as

compared to internal combustion engine auto companies.

However, a clutch of climate and impact funds as well as those specialising in renewables, are slowly putting in some money into electric vehicles.

**PMI Electro Mobility Solutions needs the investment for financing the production of new buses on order, which is around ₹1.2 crore apiece, including associated infrastructure**