# British International Investment to invest up to Rs. 1,925 crores / USD 250 million at a valuation of up to Rs. 70,070 crores / USD 9.1 billion, into a new 4 Wheel Passenger Electric Vehicle Co. to be set up by Mahindra & Mahindra Ltd

*Auto*

*Author : mahindraadmin  Category : Auto  Published : 7/7/2022*

*The EV Co. will focus on four-wheel passenger electric vehicles. The total capital infusion for the EV Co. is envisaged to be approximately INR 8,000 crores / USD 1 billion between FY 24 and FY 27 for the planned product portfolio.*

**Mumbai, July 7, 2022** – British International Investment (BII), the UK's Development Finance Institution and impact investor and Mahindra & Mahindra (M&M) have executed a binding agreement to invest up to Rs. 1,925 crores each into a wholly owned subsidiary of M&M that will be newly incorporated ("EV Co."). BII will invest up to Rs 1,925 crores in the form of compulsory convertible instruments at a valuation of up to Rs. 70,070 crores, resulting in 2.75% to 4.76% ownership for BII in the EV Co. The EV Co. will focus on four-wheel (4W) passenger electric vehicles.

The total capital infusion for the EV Co. is envisaged to be approximately Rs. 8,000 crores / USD 1 billion between FY 24 and FY 27 for the planned

product portfolio. M&M and BII will work jointly to bring other like-minded investors in the EV Co. to match the funding requirement in a phased manner.

BII's investment is designed to significantly accelerate the availability and adoption of electric vehicles in India and other markets served by M&M. According to a recent survey by Roland Berger, a leading global automotive consulting company, Indian consumers are twice as likely as their counterparts in the UK and the US to consider the purchase of an EV. The investment alongside M&M in the new EV company supports BII's undertaking that at least 30% of its total investments will be in climate finance.

The EV Co. will significantly leverage the broader manufacturing capabilities, product development, design organizations along with the ecosystem of suppliers, dealers, and financiers of M&M. The funds will be utilized primarily to create and market a world-class electric SUV portfolio with advanced technologies.

**Dr. Anish Shah, MD & CEO, Mahindra & Mahindra Ltd. said:** "We are extremely delighted to have BII as a partner in our SUV electric journey. In BII, we have found a like-minded long-term partner who is committed to combating the climate emergency. The Mahindra Group aims to be Planet Positive by 2040. Mahindra has been a pioneer in the electric vehicles space, and we are confident we will be the leaders in the electric SUV market in the future."

**Mr. Nick O'Donohoe, CEO, British International Investment, commented:** "BII's anchor investment will be key to attracting additional sources of private capital into this exciting venture with the Mahindra Group. The acceleration of EV development in India will be critical to supporting the country in reaching its emission targets as well as improving air quality in many urban areas. Mahindra will play a central role in the decarbonisation of the automotive industry in India and elsewhere."

**Mr. Rajesh Jejurikar, Executive Director – Auto & Farm Sectors, Mahindra & Mahindra, commented:** "Mahindra has very exciting plans to be a leader in the electric SUV space. We would share our vision that includes our comprehensive product, technology, and platform strategy at the UK event on 15 August 2022, followed by a reveal of the electric XUV 400 in September 2022. We would expect between 20% to 30% of Mahindra SUVs being electric by 2027".

**Mr. Samir Abhyankar, Managing Director and Head of Direct Private Equity, British International Investment, said:** "Climate change is one of the biggest challenges of our time. The investment into Mahindra's EV business is in line with our decarbonization strategy and focus of supporting sustainable business models that create new jobs, particularly for women. We are delighted to be backing Mahindra to execute on their compelling EV strategy and ambition and crowd in other like-minded investors in the future."

It is expected that the first round of BII's capital investment will be completed not later than June 2023 on fulfilment of conditions precedent and the balance post completion of certain milestones in FY24.

Khaitan & Co. are legal advisors to Mahindra. Cyril Amarchand Mangaldas and Cleary Gottlieb are legal advisors to BII for the transaction.

**About Mahindra**

Founded in 1945, the Mahindra Group is one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership positionin farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate.

The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise/ For updates subscribe to https://www.mahindra.com/news-room

**About British International Investment (BII)**

British International Investment is the new name for the UK's Development Finance Institution and was formerly known as CDC Group

British International Investment is a trusted investment partner to businesses in Africa, Asia and the Caribbean. It invests between GBP 1.5 and GBP 2 billion every year to support the UK Government's Clean Green Initiative and to create productive, sustainable and inclusive economies in our markets.

British International Investment plays a key role in the UK Government's wider plans to mobilize up to GBP 8 billion a year of public and private sector investment in international projects by 2025.

Over the next five years, at least 30 per cent of BII's total new commitments by value will be in climate finance. This will make it one of the world's largest climate investors in Africa.

BII is also a founding member of the 2X Challenge which has raised USD 10 billion to empower women's economic development.

The company has investments in over 1,300 businesses in emerging economies and total assets of GBP 7.7 billion.

**Media contact information**

**Pramuch Goel**

VP & Head - Group Communications

Mahindra Group

Email – goel.pramuch@mahindra.com

**For British International Investmen**

**Andrew Murray-Watson**

Head of UK Media

British International Investment plc

123 Victoria Street, London, SW1E 6DE

M. +44 7515 695232

Email – amurray-watson@bii.co.uk

Tags :

British International Investment | Mahindra Group | Anish Shah | Electric vehicles | decarbonisation