

June 07, 2024

Greencell Mobility Private Limited - Update on material event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating outstanding
Short-term – Fund-based limits	0.50	0.50	[ICRA]A1
Short-term – Non-fund based limits	99.50	99.50	[ICRA]A1
Short-term –Fund-based - Interchangeable limits	(10.00)	(10.00)	[ICRA]A1
Long-term - Non-fund based – Interchangeable limits	(99.50)	(99.50)	[ICRA]A+ (Stable)
Long-term / Short-term – Fund based/Non-fund based limits	100.00	100.00	[ICRA]A+(Stable)/[ICRA]A1
Long-term – Fund based - Term loan	50.00	50.00	[ICRA]A+ (Stable)
Total	250.00	250.00	

Rationale

Material event

On May 29, 2024, as per media sources, PMI Electro Mobility (PMI), the Original Equipment manufacturer (OEM) for multiple SPVs operated by Greencell Mobility Private Limited (GMPL) on Gross Cost Contracts (GCC) basis, has been alleged to be in non-compliance with norms prescribed by Government of India’s flagship scheme to promote electrification – Faster Adoption and Manufacturing of Electric Vehicles (FAME II) to receive subsidy.

With the objective of supporting faster adoption of electric vehicles (EVs) in India, the Government of India (GoI) had introduced various schemes including FAME-II, offering upfront subsidies (to reduce capital costs) and other incentives. To be eligible for the subsidy, the OEMs are mandated to achieve domestic value addition norms as prescribed by phased manufacturing programme. The subsidy available under the FAME II programme has aided in significantly reducing the capital cost associated with various electric bus projects to operate buses, thereby improving project viability.

Impact of Material Event

GMPL had tied up with PMI for procurement and maintenance of electric buses for the duration of the contract, in five out of the total of six GCC projects operated by the company (through multiple SPVs) (four in Uttar Pradesh and one in Gujarat). Across the five projects, the company has already received subsidy (under FAME-II programme) of ~Rs. 228.3 crore (out of a total of ~Rs. 378.4 crore).

ICRA notes that PMI has recently received the FAME-II eligibility certificate from International Centre for Automotive Technology in March 2024. GMPL’s management is of the view that given the receipt of the eligibility certificate, receipt of the subsidy outstanding is unlikely to be a challenge and expect the same to be received in FY2025 (across projects). Nonetheless, ICRA will continue to monitor the further developments and timeliness of receipts subsidy across GMPL’s SPV’s during the fiscal.

ICRA notes that bulk of the pending subsidy receivables (barring ~Rs. 50.0 crore) has been funded in the various SPVs through incremental equity from GMPL. The operational performance of all the GCC contracts being held by GMPL has remained steady, and the SPVs are likely to remain self-sufficient in meeting their debt servicing obligations. Accordingly, the investment requirements of GMPL over the near term are expected to remain limited to meeting the equity commitments towards awarded GCC contracts and funding requirements of Greencell Express Private Limited (rated [ICRA]A- (Negative)) operating in the Business-to-Consumer (B2C) segment. The healthy liquidity profile of the company characterised by ~Rs. 312.0 crore of

cash and liquid balances (as of June 02, 2024) as well as undrawn working capital limits across projects, continues to provide comfort.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Investment Companies
Parent/Group support	ICRA favourably factors in the superior financial flexibility enjoyed by GMPL, with the entity being backed by GGEF, a SEBI registered Category II AIF with sovereign funds as anchor investors.
Consolidation/Standalone	Standalone

About the company

Greencell Mobility Private Limited (GMPL) is the flagship mobility platform of Green Growth Equity Fund and is 100% held by the fund. GGEF, a SEBI registered Category II AIF, is an India focused fund (with a fund size of \$741 million) with sovereign funds as anchor investors, and a mandate to mobilise significant volume of permanent institutional capital into India's green infrastructure. GMPL is engaged in sustainable businesses, such as e-mobility, including but not limited to owning, operating, and maintaining EVs and related charging infrastructure. The company has been incorporated to target e-mobility market opportunities and become a pan India, shared e-mobility player.

Initially, it had bid to own and operate the intercity/ intracity routes and charging infrastructure on a long-term, take-or-pay GCC and had acquired certain projects (six projects at present). Subsequently, the company also proceeded to setup a subsidiary targeting B2C intercity markets, utilising the cost advantage provided by EVs in high utilisation routes. These buses are run under the 'NeuGo' brand. GMPL has secured contracts for ~1,600 electric buses across 25 cities in the country under the B2G model.

Key financial indicators

Standalone	FY2023	FY2024*
Operating income	328.2	108.8
PAT	0.7	0.4
OPBDIT/OI	4.8%	9.1%
PAT/OI	0.2%	0.4%
Total outside liabilities/Tangible net worth (times)	0.2	-
Total debt/OPBDIT (times)	7.7	12.6
Interest coverage (times)	1.5	1.2

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. crore)	Amount Outstanding as of Jun 02, 2024 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				Jun 07, 2024	Oct 12, 2023	Aug 02, 2022	Oct 27, 2021
1 Fund-based Limits	Short-term	0.50	--	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
2 Non-fund Based Limits	Short-term	99.50	--	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
3 Interchangeable Fund-based Limits*	Short-term	(10.00)	--	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
4 Interchangeable Non-fund Based Limits*	Long-term	(99.50)	--	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
5 Fund Based/Non-fund Based Limits	Long-term / Short-term	100.00	--	[ICRA]A+ (Stable)/ [ICRA]A1	[ICRA]A+ (Stable)/ [ICRA]A1	[ICRA]A+ (Stable)/ [ICRA]A1	[ICRA]A+ (Stable)/ [ICRA]A1
6 Term Loan	Long-term	50.00	50.00	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)

*sub-limit of overall non-fund based limits

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short term – Fund-based limits	Simple
Short term – Non-fund based limits	Very simple
Short term – Fund-based limits – Interchangeable limits*	Simple
Long term – Non fund based - Interchangeable limits*	Very simple
Long term / Short term – Fund based/Non-fund based limits	Simple
Long term – Fund based – Term loan	Simple

*sub-limit of overall non-fund based limits

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Fund-based Limits	NA	NA	NA	0.50	[ICRA]A1
NA	Non-fund Based Limits	NA	NA	NA	99.50	[ICRA]A1
NA	Interchangeable Fund-based Limits*	NA	NA	NA	(10.00)	[ICRA]A1
NA	Interchangeable Non-fund Based Limits*	NA	NA	NA	(99.50)	[ICRA]A+(Stable)
NA	Fund Based/Non-fund Based Limits	NA	NA	NA	100.00	[ICRA]A+(Stable)/ [ICRA]A1
NA	Term Loan	Aug 2023	NA	Jan 2025	50.00	[ICRA]A+(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: Not applicable

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