

January 31, 2025

GreenCell Mobility Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term Loans	50.00	150.00	[ICRA]A+(Stable); reaffirmed/assigned
Short-term – Fund based limits	0.50	0.50	[ICRA]A1; reaffirmed
Short-term – Non-fund based limits	99.50	149.50	[ICRA]A1; reaffirmed/assigned
Short-term – Interchangeable – Fund-based limits	(10.00)	0.00	-
Long-term – Interchangeable – Non fund based limits	(99.50)	(99.50)	[ICRA]A+(Stable); reaffirmed
Long-term/ Short-term – Fund based/ Non-fund based limits	100.00	100.00	[ICRA]A+(Stable)/[ICRA]A1; reaffirmed
Total	250.00	400.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmed ratings of GreenCell Mobility Private Limited (GMPL) continue to factor its status as a flagship platform of Green Growth Equity Fund (GGEF) to channelise investments into the electric vehicle (EV) segment in India and the steady operational performance across its various project entities. GGEF is a Securities and Exchange Board of India (SEBI) registered Category II Alternate Investment Fund (AIF), which was set up to mobilise investment in green infrastructure in India, with the Government of India (through the National Investment and Infrastructure Fund, NIIF, India's first sovereign wealth fund) and the Government of the United Kingdom (through its Foreign, Commonwealth & Development Office, FCDO) as its anchor investors. GMPL was incorporated to target the electric mobility (e-mobility) market opportunity and become a pan-India, shared e-mobility player. GMPL had initially bid to own and operate the intercity/ intracity routes and charging infrastructure on a long-term, take-or-pay Gross Cost Contract (GCC) and acquired certain projects. Subsequently, the company also proceeded to set up a subsidiary, targeting business-to-consumer (B2C) intercity markets by utilising the cost advantage provided by EVs on high occupancy routes.

The Government of India (together with the state governments) has been focusing significantly on promoting EVs as a cleaner and sustainable form of transportation and introduced various schemes, including its flagship programme, Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME), offering upfront incentives in the form of subsidies (to reduce capital costs), exemptions or reductions on road tax, registration tax, besides subsidised electricity tariffs, etc, to improve viability and spur adoption of EVs. While the Government's focus on this segment is likely to provide GMPL with significant opportunities to scale up its business, the presence of strong sponsors has aided the company's financial flexibility and ensured timely availability of funds to meet its funding requirements. Till date, GGEF has committed \$130 million (approximately Rs. 1,080 crore) to GMPL for investments in various projects, from which ~Rs. 1,022 crore have already been drawn. The company's management has indicated that it has commenced discussions with various investors to raise further growth capital and fund its growth plans over the medium term. The progress in terms of raising funds remains critical for the company's growth plans and is a key monitorable.

GMPL acquired a 49% equity stake and 74% economic interest in four special purpose vehicles (SPVs) floated by a consortium led by PMI Electro Mobility Solutions, which had successfully bid for procurement, operations, and maintenance of 175 e-buses, each under the GCC contract from the Directorate of Urban Transport, Department of Urban Development, State

Government of Uttar Pradesh. All buses under the projects have been running well; even as the timely receipt of funds from the authority remains monitorable, the healthy operating metrics of such projects are expected to help the entities remain self-sufficient to meet their debt obligations. Additionally, intracity operations in Surat (Gujarat) and intercity operations for Maharashtra State Road Transport Corporation (MSRTC) under the GCC model are also gradually picking up pace. The funding requirements for such projects are also expected to remain minimal, given the steady state of operations. GMPL successfully bid for operating 570 buses in Delhi NCR under a tender floated by Convergence Energy Services Limited (CESL), with funding requirements of ~Rs. 140 crore over the next 12-24 months. With other investment opportunities in the pipeline and the Government's focus on the e-bus space, ICRA believes GMPL's investment portfolio will continue to expand over the near-to-medium term.

For business-to-government (B2G) business, the business model of various SPVs under the GCC model is characterised by high revenue visibility and minimal traffic risk, given the nature of the concession agreements. Additionally, the counterparty risks are mitigated to an extent by an escrow mechanism, wherein the authority is obligated to deposit the revenues from ticket collections while maintaining some amount as payment reserves. Further, the management plans to mitigate operational risks such as those related to adequate bus availability, maintenance and achievement of specified performance indicators during the tenure of the projects, through back-to-back multi-party arrangements. Despite the same, ICRA notes that a limited track record of e-bus operations in India as well as geopolitical risks remain a sensitivity for the projects as any adverse developments related to imports could impact the availability of components required for seamless operations. Additionally, newer projects will remain susceptible to execution risks.

GMPL had tied up with PMI Electro Mobility (PMI) for procurement and maintenance of electric buses for the duration of the contract, in five out of GMPL's total of six GCC projects (under various SPVs). A total of ~Rs. 141.1 crore subsidy is yet to be received for these projects. This delay was due to a joint enquiry ordered by the Ministry of Heavy Industries (MHI) to be conducted by International Center for Automotive Technology (ICAT) and Automotive Research Association of India (ARAI) with regards to phased manufacturing plant (PMP) compliance by PMI. ICRA notes that PMI has recently received a communication from the MHI confirming that the complaints received by MHI has not been sustained and PMI is complying with PMP norms. Accordingly, the receipt of the subsidy outstanding across SPVs is expected to be received over the next few quarters and aid the Group's liquidity profile. ICRA will continue to monitor further developments and timeliness of subsidy receipts across GMPL's SPVs.

In addition to acquiring projects under the GCC model, GMPL also incorporated a wholly owned subsidiary, GreenCell Express Private Limited (GEPL; rated [ICRA]A-(Negative)), to promote environment-friendly, intercity bus operations in India. GEPL has deployed e-buses in high-traffic routes to benefit from the inherently lower running costs, as well as to provide better ride quality and passenger experience. In the first phase of operations, the company deployed 250 e-buses on high-traffic intercity routes across the country. The operations have started to ramp up with a reduction in losses in YTD FY2025. The entity has been able to breakeven at the EBIDTA level for the past 2-3 months. Phase 2 of the operations for another set of buses has also been initiated, for which GMPL has already infused the equity portion. The debt for phase 2 is expected to be drawn down subsequently in FY2026 and will be subject to improvement in operational metrics for the existing fleet. ICRA notes that the B2C business would take time to ramp up and may consequently require loss funding support over the near-to-medium term, in addition to funding debt obligations, until operations ramp up. Given the large scale of operations and consequent investment requirements, the extent of funding support required by GEPL remains monitorable. In this regard, the timely fund raise of further growth capital remains crucial.

The Stable outlook on the long-term rating reflects ICRA's expectation that even as GMPL will continue to enhance its presence in the e-mobility segment, it will maintain a strong credit profile aided by strong financial flexibility enjoyed on account of its parentage while maintaining a low reliance on bank borrowings. Nevertheless, ICRA will continue to monitor the progress of GMPL's various investee entities.

Key rating drivers and their description

Credit strengths

Strong financial flexibility with parent entity having sovereign funds as anchor investors – GMPL is one of the flagship platforms of GGEF, a SEBI-registered Category II AIF. GGEF's anchor investors are the NIIF and FCDO, who have together invested \$340 million in the fund. As on date, the fund has been closed with a total funding commitment of \$741 million, with investments from NIIF, FCDO, British International Investment (formerly CDC Group Plc, the development finance institution of the UK government), FMO (Dutch Development Bank), Green Climate Fund, British Petroleum, and others. The presence of strong sponsors has ensured the timely availability of funds to meet any funding requirements and provides comfort regarding the platform's ability to raise further growth capital.

Government's focus on promoting e-mobility through capital subsidy augurs well for scale of operations – The Government of India is focussing considerably on promoting electric vehicles (EVs) as a cleaner and sustainable form of transportation, with keen attention on the commercial segments. The Government has introduced various schemes such as FAME, Smart Cities, PM E-Drive, offering upfront subsidies (to reduce capital costs), exemptions or reductions on road tax, registration tax, and subsidised electricity tariffs and others to support faster adoption of EVs in India. The tenders to operate e-buses are a part of the FAME II scheme, wherein the original equipment manager (OEM) will be eligible for a subsidy, which will be released in three tranches within six months of the commencement of operations. This significantly reduces the capital cost associated with the project, improving project viability for such projects.

High revenue visibility for majority SPVs as concession agreements ensure fixed fees and minimal traffic risk – As per the terms of the bus-operator agreements, entered by various B2G SPVs, the Authority would pay a fixed rate for a minimum assured distance, subject to bus availability. Accordingly, the SPV's setup for operations under the GCC model does not bear the traffic risk on the routes and only needs to ensure availability of buses as per the Authority's deployment plan. Given this arrangement, the business model of various SPVs essentially translates into an annuity model with high cash flow visibility over the concession period. The availability of spare buses is likely to aid the SPVs in ensuring the required fleet availability and a stable revenue profile. However, most intracity bus operations in general, are subsidised and can recover only 30-50% of the revenue payable (to SPV) from ticket collections. As such, the dependence on timely Government grants/support to authorities for funding the gap remains critical.

Back-to-back arrangements with OEMs for bus procurement, certification and maintenance mitigate risks of project execution and cost overruns to a large extent – Various SPVs have entered/are likely to enter into sales and after-sales agreements with domestic OEM and key component supplier (KCS), as per which the OEM and KCS would be supplying buses as per technical specifications and maintaining them (through an AMC contract) throughout the contract's tenure. The presence of fixed-price sales and after-sales service contracts is likely to mitigate time and cost overrun risks to a large extent. Furthermore, any penalties arising from non-compliance with the terms of the bus operator agreement are expected to be completely recovered from the OEM, which further mitigates risks and reduces cash flow variability for the SPVs.

Credit challenges

Newer projects exposed to risk of time overruns given dependence on statutory approvals – The SPVs remain exposed to possible delays in receipt of statutory approvals for their execution (especially for newer projects such as the one in Delhi), given the involvement of Government agencies for projects under the GCC model. Setting up a depot, securing a license, an electric feeder line (for general use and charging station), consent to establish and operate, etc., will be some of the statutory documentation that would take time to approve and implement. The draft sale agreements with OEMs are expected to cover the recovery of any penalties due to delays in bus deliveries from the OEM, thereby protecting the SPVs to an extent. Any major delays in project execution will remain monitorable and may necessitate higher funding commitments for GMPL. Additionally, the timing of subsidy receipt remains a key unknown, especially considering the involvement of multiple agencies. For the operational projects, while a delay in timely receipts could result in increased working capital requirements of SPVs, the same is likely to be covered by an adequate buffer in working capital facilities at the respective subsidiaries.

Ramp up in operations of B2C business expected to be only gradual; would necessitate funding requirements in the interim

– In addition to funding of new projects, GMPL is expected to support GEPL's funding requirements in the near-to-medium term. Even as B2C operations achieved EBIDTA breakeven in the past few months, the sustainability of the same and further ramp-up in profitability remains to be seen. Accordingly, the B2C business is expected to require funding support over the near-to-medium term until operations ramp up. While ICRA notes that GMPL has adequate liquidity to meet near-term funding requirements of the B2C business, scale-up of operations/profitability at GEPL and timely fundraising by the platform will remain crucial.

Exposed to geopolitical tensions impacting supply of components – The supply and after-sales service of buses will remain dependent on the continuation of amicable relations between India and China (expected to remain the key component supplier in most projects), as changes in regulations related to imports of EV-related components are likely to impact the project operations and viability. This will continue to remain monitorable. Nevertheless, even in case of such adverse developments, the management expects the domestic OEMs to be able to supply components from manufacturing facilities in other locations. This provides comfort, coupled with the fact that the SPVs along with OEMs will be maintaining an inventory of necessary spare parts at the depot.

Limited track record of operations of e-bus segment – OEMs in the e-bus segments in India have a limited track record of operations till date. Hence, ICRA will continue to monitor their ability to supply and maintain the buses as per the specifications of the bus operator agreement across various SPVs. Any under-performance of the e-bus or its battery from the specifications planned/targeted, especially impacting bus availability and reliability, has the potential to impact the project's viability, and necessitate enhanced funding requirements. Nevertheless, ICRA takes comfort from the presence of established e-bus manufacturers as a party in the OEMs' agreements, who have a decent track record of operations. Moreover, back-to-back arrangement with the OEMs to pass on any penalties that could arise due to non-availability of buses, coupled with linkage of payment to delivery of buses also mitigates risks to some extent.

Liquidity position: Adequate

GMPL's liquidity is expected to remain adequate, aided by cash and liquid investments (~Rs. 85-90 crore as on December 31, 2024) coupled with availability of further funds for drawdown from GGEF (Rs. 58 crore) for any further funding requirements of GMPL, or any new projects undertaken. As on date, the company has committed funding requirements of ~Rs. 140 crore towards its Delhi B2G project, apart from loss funding/debt servicing requirements for the B2C business. The entity also has access to undrawn term loans of ~Rs. 100 crore with repayment obligations of ~Rs. 40-50 crore (at a standalone level) over the next 12 months. The B2G SPV's are likely to remain largely self sufficient to meet their repayment obligations, with excess cash flows likely to be up streamed to GMPL to aid its liquidity profile.

Rating sensitivities

Positive factors – The ratings will remain linked to the performance of various investee entities. It could be upgraded if the various investee entity projects, particularly GEPL, achieve an adequate track record of operations and start contributing materially to cash flows for GMPL in the form of dividends.

Negative factors – A material change in committed support from the sponsor (GGEF) or a material change in the sponsor profile could trigger a downward revision in rating. The company's ability to raise growth capital in a timely manner will remain a monitorable. Pressure on the ratings could also arise if a deterioration in the credit profile of the various investee entities, particularly GEPL, leads to enhanced bank borrowings for GMPL, thereby weakening its credit profile.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Passenger Road Transport
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	For arriving at the ratings, ICRA has considered the consolidated financials of GMPL. As on March 31, 2024, the company had 10 subsidiaries which are all enlisted in Annexure-II.

About the company

Greencell Mobility Private Limited 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 a significant volume of permanent institutional capital into India's green infrastructure. GMPL is involved 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 acquired certain projects (six projects at present). Subsequently, the company also proceeded to set up 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 ~1,500 electric buses across 25 cities in the country under the B2G model and is operating 900 buses (intercity and intracity) across eleven cities. In addition, the company is operating 260 buses in the B2C model as on December 31, 2024. The most recent contract secured by the company was for 570 electric buses from the transport department, Government of Delhi. Under the NeuGo brand, the company is operating in over 30 cities across the country.

Key financial indicators (audited)

GMPL Consolidated	FY2023	FY2024
Operating income	323.1	496.6
PAT	(40.8)	(73.8)
OPBDIT/OI	10.0%	17.8%
PAT/OI	-12.6%	-14.9%
Total outside liabilities/Tangible net worth (times)	1.5	1.1
Total debt/OPBDIT (times)	27.6	9.3
Interest coverage (times)	0.6	1.1

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

Note: Amount in Rs. crore; All calculations are as per ICRA Research

Source: Company data, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Current (FY2025)				Chronology of rating history for the past 3 years					
			FY2025				FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based Limits	Short-term	0.50	Jan 31, 2025	[ICRA]A1	Jun 07, 2024	[ICRA]A1	Oct 12, 2023	[ICRA]A1	Aug 02, 2022	[ICRA]A1	Oct 27, 2021	[ICRA]A1
Non-Fund Based Facilities	Short-term	149.50	Jan 31, 2025	[ICRA]A1	Jun 07, 2024	[ICRA]A1	Oct 12, 2023	[ICRA]A1	Aug 02, 2022	[ICRA]A1	Oct 27, 2021	[ICRA]A1
Interchangeable Limits- Fund Based Limits	Short-term	-	-	-	Jun 07, 2024	[ICRA]A1	Oct 12, 2023	[ICRA]A1	Aug 02, 2022	[ICRA]A1	Oct 27, 2021	[ICRA]A1
Interchangeable Limits- Non-Fund Based Facilities	Long-term	(99.50)	Jan 31, 2025	[ICRA]A+ (Stable)	Jun 07, 2024	[ICRA]A+ (Stable)	Oct 12, 2023	[ICRA]A+ (Stable)	Aug 02, 2022	[ICRA]A+ (Stable)	Oct 27, 2021	[ICRA]A+ (Stable)
Fund-based/ Non-Fund Based limits	Long-term/ Short term	100.00	Jan 31, 2025	[ICRA]A+ (Stable)/ [ICRA]A1	Jun 07, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	Oct 12, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	Aug 02, 2022	[ICRA]A+ (Stable)/ [ICRA]A1		-
Term Loan	Long-term	150.00	Jan 31, 2025	[ICRA] A+ (Stable)	Jun 07, 2024	[ICRA] A+ (Stable)	Oct 12, 2023	[ICRA] A+ (Stable)	Aug 02, 2022	[ICRA] A+ (Stable)		-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund based limits	Simple
Non-fund based facilities	Very simple
Interchangeable limits – Non-fund based facilities	Very simple
Fund-based / Non-fund based limits	Simple
Term loan	Simple

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 analysing 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based Limits	NA	NA	NA	0.50	[ICRA]A1
NA	Non-Fund Based Facilities	NA	NA	NA	149.50	[ICRA]A1
NA	Non-Fund Based Facilities*	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 Loans	March 2024	NA	March 2027	150.00	[ICRA]A+ (Stable)

Source: Company, * sub-limit of overall non-fund-based limits

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

Annexure II: List of entities considered for consolidated analysis

Company Name	GMPL Ownership	Consolidation Approach
Greencell Mobility Private Limited	100.00% (rated entity)	Full Consolidation
Greencell Express Aggregator Private Limited	100.00%	Full Consolidation
Vaasudevo City Bus Operations Private Limited	49.00%	Full Consolidation
Tirthankar City Bus Operations Private Limited	49.00%	Full Consolidation
Greencell Express Private Limited	100.00%	Full Consolidation
Shyama Shyam P1 City Bus Operations Private Limited	49.00%	Full Consolidation
VSK City Bus Operations Private Limited	49.00%	Full Consolidation
Greencell EV Private Limited	100.00%	Full Consolidation
Greencell Surat Private Limited	74.00%	Full Consolidation
Movez EV Bus (One) Private Limited [Held through Greencell EV Private Limited]	75.00%	Full Consolidation
Delhi City Electric Bus Operations Private Limited	75.00%	Full Consolidation

Source: GMPL annual report FY2024

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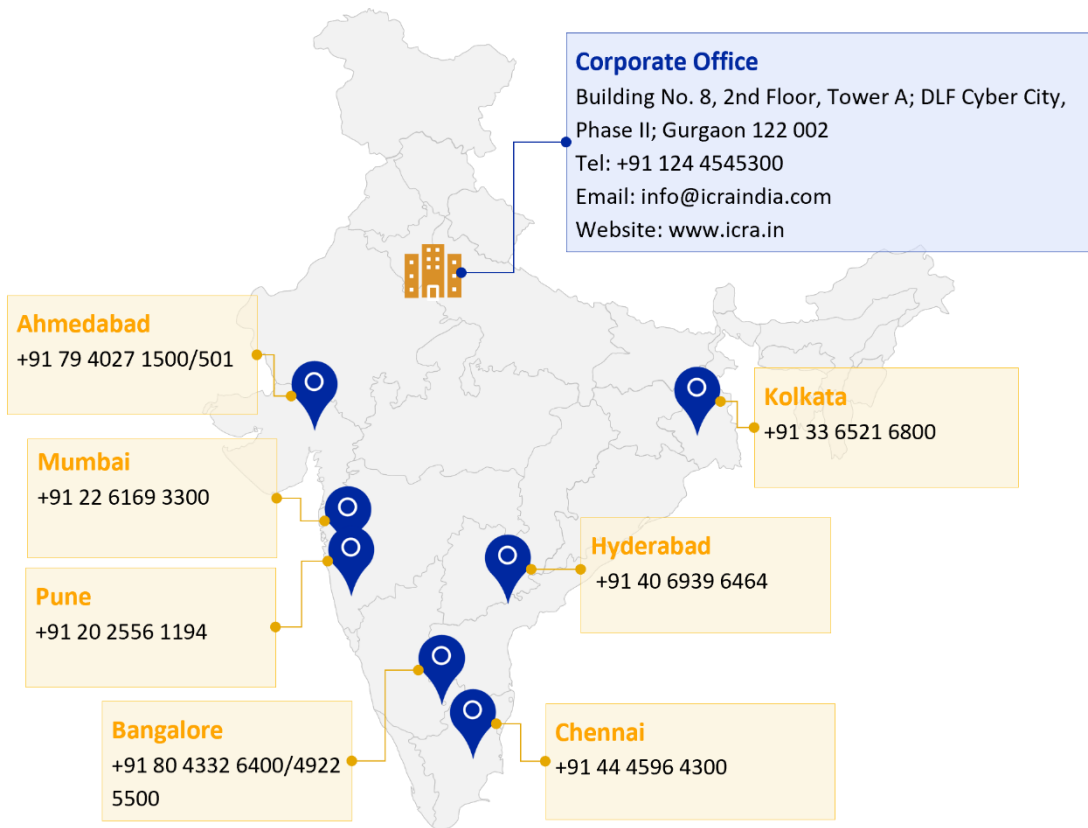
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