

April 27, 2026

Delhi City Electric Bus Operations Private Limited: [ICRA]A(Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	540.80	[ICRA]A(Stable); assigned
Long-term – Non-fund based – Bank guarantee	26.00	[ICRA]A(Stable); assigned
Long-term – Unallocated limits	0.20	[ICRA]A(Stable); assigned
Total	567.00	

*Instrument details are provided in Annexure II

Rationale

The rating assigned to Delhi City Electric Bus Operations Private Limited (DCEBOPL) factors in its strong parentage, with a majority shareholding and economic interest held by GreenCell Mobility Private Limited (GCML; rated [ICRA]A+(Stable)/[ICRA]A1). While the concession agreement (CA) with the authority largely translates into an annuity-like revenue model for the special purpose vehicle (SPV), DCEBOPL remains exposed to counterparty risks, given its dependence on Government authorities to fund any revenue shortfalls and the potential for delays or time overruns. Nevertheless, the counterparty—the Department of Transport, Government of the National Capital Territory of Delhi (GNCTD)—has a healthy credit profile and the availability of funding support from the parent entity, GCML, provides comfort with regard to the SPV's ability to meet its funding requirements. ICRA also notes the dependence of the SPV on the original equipment manufacturer (OEM), PMI Electro Mobility Solutions Private Limited (PMI), for successful project execution. However, comfort is derived from the presence of an established key component supplier (KCS), CALB Group Co. Ltd. (CALB), China, and the existence of agreements among the SPV, OEM, and KCS, which provide safeguards around project execution and performance.

DCEBOPL has been set up as a SPV to procure, operate, and maintain 570 electric buses (12-metre low-floor buses) on intra-city routes in Delhi for a period of 12 years under the Gross Cost Contract (GCC) model of the FAME II scheme. The bid for operating these 570 e-buses was won by a consortium led by GCML along with PMI, with GCML holding a 74% stake in the incorporated SPV. As the majority shareholder, GCML drives the strategic as well as day-to-day operations of the SPV. Overall, the presence of a strong sponsor, along with a shortfall undertaking from the promoter to the lender, is a credit positive and is expected to ensure timely availability of funds to meet the project's funding requirements. ICRA also notes that the debt sanction for the project has been achieved, and around 30% of the equity has already been infused by the sponsors, with the balance equity to be brought in line with the bus deployment schedule.

Despite the limited operating track record of electric buses in India—particularly that of the OEM, PMI (established in 2017)—comfort is drawn from its technical tie-up with an established global player, CALB, for sourcing technology and critical components. Nevertheless, geopolitical developments affecting global supply chains remain a key sensitivity for the project's viability. Further, any adverse changes in regulations or policies relating to the import of EV components could disrupt supplies and adversely impact operations.

As per the sales and after-sales agreement between DCEBOPL and PMI, the prices of the buses are fixed, which significantly mitigates the risk of cost overruns for the project, given that buses constitute around 85–90% of the total project cost. However, as the project is still at an initial stage, it remains exposed to risks related to timely receipt of statutory approvals (including electricity connections at the bus depots) as well as other inherent execution-related risks. As on date, 71 buses have been deployed, with the balance expected to be rolled out in a phased manner over FY2027 and FY2028 (scheduled

commercial operations date of March 2028). Accordingly, timely project commercialisation and stabilisation of operations post-commercialisation remain key monitorables.

The SPV's business model is characterised by high revenue visibility and minimal traffic risk, given the nature of the contract, wherein the SPV will be paid a fixed rate for a minimum assured distance of 192 km/bus/day, subject to the assured bus availability.

The project remains exposed to counterparty risks, given the nature of intra-city operations, wherein ticket collections are typically significantly lower than the payments payable to the operator. However, these risks are mitigated to an extent by the escrow mechanism, under which the authority is required to deposit ticket collection revenues and maintain a payment reserve equivalent to two months of revenue payable. In addition, the strong credit profile of GNCTD, along with the track record of timely payments by its nodal agency, the Delhi Transport Corporation, provides comfort regarding the authority's ability to honour its obligations in a timely manner.

The Stable outlook on the long-term rating reflects ICRA's expectation that the SPV is likely to progress with the procurement and deployment of buses broadly in line with the envisaged schedule, supported by the financial flexibility available to the entity and the milestones achieved to date.

Key rating drivers and their description

Credit strengths

Strong parentage as majority shareholding lies with GMPL, where sovereign funds are anchor investors – GMPL (which has a 74% equity and economic stake in DCEBOPL) is the flagship platform of GGEF, a SEBI registered Category II Alternate Investment Fund (AIF). GGEF's anchor investors are National Investment and infrastructure fund (NIIF), backed by the Government of India, and the FCDO (formerly the Department for International Development), Government of the UK. The commitment from various investors in GGEF stands at \$741 million, which was the target fund size at inception. The other key SPV partner, PMI, is the OEM responsible for procuring, operating, and maintaining the buses during the tenure of the contract. The promoters of PMI have over 30 years of experience as major bus coach manufacturers in India. The presence of a strong sponsor and shortfall undertakings from both promoter entities to the lender are likely to ensure timely availability of funds to meet any requirements.

High revenue visibility as CA provides fixed fee on per km basis for assured distance subject to bus availability, even as receipts from ticket collections for intra-city operations are likely to remain inadequate – As per the terms of the bus operator agreement, the authority will pay the SPV a fixed rate for a minimum assured distance of 70,000 km/bus annually, subject to bus availability. Accordingly, the SPV 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, it essentially translates into an annuity model of revenues over the concession period, with high revenue visibility. However, the clause related to unutilised kilometres, which would be paid at 50% of the applicable rate, brings in some element of variability. Also, intra-city bus operations, in general, are subsidised and can recover only 30-50% of the revenue payable (to the SPV) from their ticket collections. As such, dependence on timely Government grants/support to authorities for funding the gap remains critical.

Back-to-back arrangements with OEM for bus procurement, maintenance and operations mitigate risks related to project execution and cost overruns – The SPVs have entered into a sales and after-sales agreement with PMI (OEM) (which in turn has a back-to-back agreement with the Chinese KCS, CALB, as per which the OEM and KCS would be supplying the buses as per the technical specifications, maintaining the buses (through an AMC contract) and also operating them throughout the tenure of the contract. The prototype for the buses to be supplied has already been approved. The presence of a fixed price sales and after sales service contract mitigates any time and cost overrun risks. Furthermore, any penalties arising from non-compliance with terms of the Bus Operator Agreement would be recovered from the OEM completely, which further mitigates risks and reduces cash flow variability.

Credit challenges

Project implementation risks at initial stage of operations – Given the involvement of Government agencies, there could possibly be delays in receipt of statutory approvals for the project execution. Additionally, the resurgence in pandemic and associated restrictions could delay the project from the timelines envisaged. Although the sales agreement executed with the OEM covers for recovery of any penalties due to delay in bus deliveries from the OEM, thereby protecting the SPV to an extent, any major delays in project execution would remain a monitorable. PMI supplied 50 buses in March 2026 and the same are running in line with the expectations till date. Timely supply of buses from PMI and receipt of schedules from the authority remains critical for scale up of operations and make the project financially viable.

Counterparty risks owing to likely receivable build-up; mitigated to an extent by planned escrow mechanism and strong credit profile of counterparty – Intracity bus operations, in general, are subsidised and the Authority can recover only 30-50% of the revenue payable (to the operator/SPV) from the ticket collections, and as such, the dependence on timely state government grants/support to authorities for funding the gap remains critical. While this elevates counterparty risks for such projects, the presence of an escrow mechanism in DCEBOPL, wherein the authority would be depositing two months of revenue payable as an advance, reduces risks of receivables to an extent. In addition, for DCEBOPL, the healthy financial profile of GNCTD (the counterparty) and its track record of timely payments, also provides comfort.

Limited track record of operations of OEM in e-bus segment – The OEM, PMI, has supplied more than 3,000 e buses over the past 5-6 years in India. Given its limited track record of e-bus operations, OEM's ability to supply and maintain these buses as per the specifications of the Bus Operator Agreement remains critical. Any underperformance vis-à-vis the agreed specifications, especially which impacts the availability and reliability of the buses, has the potential to affect the project viability and, hence, would be a key monitorable. ICRA notes that the project has been able to largely meet the specifications as per the concessionaire agreement since the commencement of operations. Back-to-back arrangements with the OEM to pass on any penalties that could arise from the unavailability of buses, mitigate the risks to some extent.

Exposed to geopolitical developments impacting supply of components – The supply and after-sales service of buses would remain dependent upon the amicable relationship between India and China. Any disruption or restriction on EV-related imports is likely to impact the project operations/viability. While chances of any such adverse development remain low, given that globally China controls the lithium reserve supply, it would continue to remain a monitorable. Nevertheless, even in case of such adverse developments, the company expects the OEM to be able to supply components from manufacturing facilities in other locations.

Liquidity position: Adequate

As the project is under its execution phase, the liquidity position will be supported by undrawn debt (financial closure already achieved; Rs. 100 crore drawn out of Rs. 540.8 crore as on date) and support from the promoter entity. The promoters have already infused around 30% of the required equity requirements; the liquidity of GMPL (74% stakeholder) is expected to remain healthy, with availability of adequate funds for any further funding requirement of the SPVs, or any new projects undertaken.

Rating sensitivities

Positive factors – ICRA could upgrade the rating once the project demonstrates a sustained track record of operations following the delivery of all the contracted buses. An improvement in the credit profile of the parent entity could also lead to a rating upgrade.

Negative factors – Negative pressure on the rating could arise if there are any major delays in implementation of the project leading to impact on credit metrics. Specific credit metrics that could lead to a downgrade include cumulative DSCR (after provisioning of a minimum maintenance reserve account or MMRA) below 1.20 times, on a sustained basis. Any material changes in the sponsor profile or committed support from the sponsor could also trigger a downward revision in rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	The rating factors in the very high likelihood of its parent entity, GCML (rated [ICRA]A+ (Stable)/[ICRA]A1)), extending financial support to it because of the close business linkages between them. ICRA also expects GCML to be willing to extend financial support to DCEBOPL out of its need to protect its reputation from the consequences of a group entity's distress.
Consolidation/Standalone	Standalone

About the company

Delhi City Electric Bus Operations Private Limited is an SPV established to procure, operate, and maintain 570 fully-built, 12-metre, AC electric buses for intra-city public transport in the National Capital Territory of Delhi. The SPV was set up by a consortium led by GreenCell Mobility Private Limited, which was the successful bidder for the project. GCML holds a 74% stake, while the remaining shares are held by PMI. The SPV will operate the buses for 12 years on a GCC basis under the FAME II scheme.

Key financial indicators: Not applicable as the company is yet to commence operations; audited financials for FY2025 are not meaningful.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Apr 27, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Term loans	Long-term	540.80	[ICRA]A(Stable)	-	-	-	-	-	-
Non fund based – Bank guarantee	Long-term	26.00	[ICRA]A(Stable)	-	-	-	-	-	-
Unallocated limits	Long-term	0.20	[ICRA]A(Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based Term loans	Simple
Long-term – Non fund based – Bank guarantee	Simple
Long-term – Unallocated limits	Not applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Term loans	FY2026	NA	FY2039	540.80	[ICRA]A(Stable)
NA	Non-fund based – Bank guarantee	NA	NA	NA	26.00	[ICRA]A(Stable)
NA	Unallocated limits	NA	NA	NA	0.20	[ICRA]A(Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis – Not applicable

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