

April 27, 2026

PMI Electro Mobility Solutions Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – fund-based – cash credit/WCDL	120.50	[ICRA]A (Stable); assigned
Short-term – non-fund based- LC/BG	404.00	[ICRA]A2+; assigned
Long-term – fund-based – term loan	101.68	[ICRA]A (Stable); assigned
Long-term/short-term – fund-based/non-fund based – Proposed	173.82	[ICRA]A (Stable)/[ICRA]A2+; assigned
Total	800.00	

*Instrument details are provided in Annexure II

Rationale

The ratings assigned to the bank facilities of PMI Electro Mobility Solutions Private Limited (PMI) factor in its execution track record as an electric bus (e-bus) manufacturer with around 3,500 e-buses delivered so far, predominantly for the end-use of state transport undertakings (STUs) through concession agreements signed with them under the Gross Cost Contract (GCC) model. PMI has been a successful bidder for e-bus tenders across multiple state government programmes, helping it build a strong order book of 7,085 buses as on March 31, 2026 (including around 3,500 confirmed orders, wherein the Letter of Award has already been signed with the authorities). This provides strong revenue visibility over the medium term.

The ratings assigned also factor in favourably the recent strategic transaction of the company with private equity firm KKR & Co., which is taking a majority equity stake in PMI's e-mobility concession platform (Allfleet India) as a part of its global climate transition strategy, while also acquiring a minority stake in PMI through a capital infusion. The capital infusion would materially strengthen PMI's financial risk profile and support its growth/ capex plans including towards setting up a plant in Ghiloth Industrial Area, Rajasthan. KKR's majority equity stake in Allfleet India and minority stake in PMI corresponds to a committed investment of up to \$310 million. This will provide the requisite growth capital for scaling up Allfleet India while also mitigating funding risks for PMI.

ICRA notes that as part of the ongoing transaction with KKR, a majority of PMI's special purpose vehicles (SPVs; that have undertaken e-bus contracts with various Government authorities) will be aligned under the Allfleet platform. The funding tie-up with KKR is likely to limit any incremental investment from PMI towards these SPVs; additionally, the same is also likely to lead to a significant reduction in the financial liabilities for the company (corporate guarantees extended by the company in the past to support SPV-level borrowings) over the near to medium term. Following the transaction, PMI will supply e-buses to the platform, thereby providing comfort regarding the scale up in PMI's operations.

ICRA also notes the operational synergies arising from the slump sale transaction between PMI Coaches (bus body building operations at Dharuhera, Haryana) and PMI, wherein the former's bus body-building operations have been recently transferred to PMI in exchange for issuance of additional equity shares. After the transaction, some of the essential elements of the manufacturing value chain of e-buses encompassing body building and final assembly have been consolidated under a single entity, enabling improved operational control, cost efficiencies, and streamlined execution.

PMI reported revenues of Rs. 750 crore in 9M FY2026 (Rs. 735 crore in FY2025) with an operating profit margin (OPM) of 11.6% and is estimated to have achieved revenues of around Rs. 1,100 crore in FY2026 with an OPM of 11-12%. Supported by its strong order book, PMI's revenues are expected to scale up at a healthy pace over the near to medium term; profitability is

likely to remain aided by cost efficiencies on account of economies of scale and continued focus on in-house manufacturing. The higher level of backward integration also enhances PMI's price competitiveness while bidding for e-bus contracts. Beyond the strong order book, the Government of India's (GoI's) continued focus on e-mobility augurs well for the company's medium-term growth prospects.

Further, while the company did not have any significant fund-based working capital borrowings or term debt on its books as on December 31, 2025 (combined debt of Rs. 167.2 crore), the company has compulsory convertible debentures (CCDs) availed from Piramal Structured Credit Opportunities Fund, as on the same date. The CCDs have no scheduled principal repayment obligation and will likely be converted into equity, with the company also planning to file for an Initial Public Offer (IPO) in the current fiscal year. While the reported DSCR of the company stood at 1.2 times in FY2025, weighed by the accrued interest on the CCDs (not a cash outflow), the overall coverage metrics are expected to improve materially, going forward, supported by the KKR transaction, execution of the order book, and scheduled debt repayments. Nevertheless, the impact of the company's capex plans towards its upcoming plant on its credit profile will be a monitorable and would depend on, among other things, the debt-equity mix employed for funding the capex.

The ratings remain constrained by the working-capital intensive nature of operations, with debtor days in the range of 130-150 days. An elongation in the working capital cycle, which adversely affects liquidity, will be a key monitorable. Further, the company imports a portion of its raw materials, primarily battery cells from China Aviation Lithium Battery (CALB, China), as domestic availability remains limited. Battery cells account for around 25-30% of the raw material (RM) cost, while overall imported RM constitutes around 40% of PMI's total RM expenditure. This exposes the company to RM price volatility and foreign exchange risk. Although the company undertakes forward contracts to partially hedge forex risk and the contracts with the STUs include price escalation clauses, given the delivery timelines of 1-3 years, operating margins remain susceptible to adverse movements in forex rates and raw material prices.

PMI also needs to bear the warranty obligations, however, this risk is mitigated to an extent as batteries procured from CALB, China, carry a sufficiently long back-to-back warranty, under which the underperforming batteries are contracted to be replaced by the supplier.

The Stable outlook reflects ICRA's opinion that despite the planned capex, PMI's financial risk profile is likely to remain supported by steady earnings, aided by a strong order book.

Key rating drivers and their description

Credit strengths

Healthy order book provides adequate revenue visibility; Government focus on promoting e-mobility augurs well for growth prospects – The company has a healthy unexecuted order book of around 7,080 e-buses as of March 2026, diversified across multiple SRTUs, which provides a high revenue visibility. The company has delivered around 3,500 buses cumulatively till FY2026, demonstrating its execution capability while a strong bid-to-win ratio of 70–80% supports sustained order inflows over the medium term. PMI's revenues are expected to scale up at a healthy pace, with steady medium term growth prospects. Further, favourable policy support from the GoI through schemes such as FAME, PM E-Drive, and PM-eBus Sewa (payment security mechanism) is expected to spur adoption, with e-bus penetration in India projected by ICRA to increase to around 30% by FY2030 from 5-6% in FY2026.

Comfortable financial risk profile, aided by regular fund raises – PMI reported revenues of Rs. 750 crore in 9M FY2026 with an OPM of 11.6% and is estimated to have achieved revenues of around Rs. 1,100 crore in FY2026 with margins of 11-12%. Supported by a healthy order book, revenues are expected to scale up, while profitability is likely to remain healthy, aided by economies of scale and a sustained focus on in-house manufacturing. While the reported DSCR of the company stood at 1.2 times in FY2025, weighed by the accrued interest on the CCDs (not a cash outflow), the overall coverage metrics are expected to improve materially, going forward, supported by the KKR transaction, execution of the order book, and scheduled debt repayments. Further, PMI's established track record of raising equity from reputed investors—aggregating to about Rs. 500

crore over FY2023-FY2026, in addition to CCDs worth Rs 250 crore in FY2024—and the recent fund raise tied up with KKR have supported its net worth and reflect its strong financial flexibility.

Financial flexibility emanating from equity stake in Allfleet e-bus platform – PMI also derives significant financial flexibility from its strategic stake in the Allfleet platform, wherein post conclusion of the transaction with KKR, it would hold a minority equity interest on a fully diluted basis. After completion of the transaction with KKR, Allfleet will have the backing of substantial long-term capital. Further, the reduction in contingent liabilities over the near to medium term and limited amount of future equity commitments are expected to improve PMI's standalone leverage profile and liquidity position. The capital infusion by KKR into PMI as part of the transaction would also support the company's financial flexibility and support its growth/ capex plans.

Experienced promoters in the bus body fabrication industry – Mr. Satish Jain, the promoter, has over four decades of experience in bus body and coach manufacturing and has been instrumental in building PMI Coaches as one of the largest coach manufacturing companies in India, with an installed production capacity of around 300 units/month. PMI Coaches had a track record of over 40 years with rich experience in body fabrication for hi-tech, luxury, Government, and educational institutions complying with the regulatory norms. Further, with the asset transfer from PMI Coaches to PMI in December 2025, the latter has become more backward integrated, enhancing operational efficiencies and price competitiveness.

Credit challenges

Inherently working capital-intensive operations – PMI's operations are working capital intensive, with combined inventory and receivables days remaining elevated at around 230-250 days during FY2024–FY2025; the debtor days remained high, in some cases due to delays in subsidy receipt from state governments by certain SPVs, which in turn led to delays in payments by them to the company. The net working capital cycle, however, benefits from extended payables of around 170 days in FY2024–FY2025, linked with procurement of raw materials—largely battery cells from China—through letters of credit (LC) with a usance period of about six months. However, this has resulted in relatively high level of encumbered cash (around Rs. 93 crore as of March 31, 2025) maintained as margin money against LC-backed payables. Any unforeseen elongation in the working capital cycle remains a key monitorable.

Exposure to warranty obligations given the limited operating track record in e-bus segment; partially mitigated by back-to-back agreement with battery cell supplier – The company is exposed to warranty obligations, given the limited operating track record of the e-bus segment and nascent stage of battery technology. The risk is partly mitigated through back-to-back warranty arrangements with battery cell suppliers. In addition, the company has transitioned from Lithium Manganese Oxide (LMO) to Lithium Iron Phosphate (LFP) battery chemistry since CY2024, which offers better thermal stability and has demonstrated healthy performance since the transition.

Exposure to supply chain risks, forex risks, and volatility in raw material prices – The company is exposed to supply chain risks and foreign exchange volatility, given its dependence on imported RM, with around 40% of overall RM being imported. Battery cells (from China) constitute a significant portion of the imported cost, exposing PMI to fluctuations in global cell prices and forex movements. However, these risks are partially mitigated by the company's localisation initiatives, with overall bus localisation levels of around 60%, including-in-house manufacturing of wiring harnesses, chassis, and battery modules/packs, which have resulted in cost savings and reduced exposure to customs duties. The company also partially hedges its forex risk to the extent of 50-60% through forward contracts. However, given the continued reliance on imported battery cells and the gradual pace of domestic cell manufacturing, PMI is expected to remain exposed to supply chain and forex risks.

Competitive industry structure – The e-bus manufacturing industry remains highly competitive, with multiple domestic bus manufacturers competing largely through aggressive bidding under Government-led procurement programmes. Order inflows are predominantly tender-driven with limited product differentiation, leading to pressure on pricing, margins, and execution timelines. In this regard, the company's in-house technology (earlier technology tie-up with Foton, a Chinese e-bus OEM), its execution track record and experienced promoters provide comfort.

Liquidity position: Adequate

PMI's liquidity is adequate, supported by projected healthy net cash accruals in FY2027 and some buffer in fund-based working capital limits as of February 28, 2026. The company has planned capex investments in FY2027, which is expected to be met to an extent through funds infusion from KKR (expected over April-May 2026). The company's long-term debt repayments are likely to remain low and are expected to be met through internal accruals. The investment requirements towards SPVs engaged in e-bus projects are likely to remain limited, given the tie-up of funds with KKR to help scale up operations.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings in case of a significant increase in the company's order book and revenues while maintaining healthy profitability margins and efficiently managing working capital on a sustained basis.

Negative factors – The rating could be downgraded in case of a sustained decline in the company's scale of operations or profitability, or any significant delays in execution of e-bus orders. An elongated working capital cycle due to delays in collections or any sustained deterioration in credit metrics on account of significant debt-funded capex could also impact the ratings. Further, any material delay in completion of the transaction with KKR or delay/ shortfall in the expected funds infusion from KKR could also lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Commercial Vehicles
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone*

**A standalone analytical approach has been applied for the company, given the recent agreement with KKR & Co., wherein the latter will acquire a majority stake (on a fully diluted basis) in PMI's e-bus platform Allfleet India (bulk of the e-bus SPVs will be moved to this platform as part of the agreement). PMI is not likely to have any material investment outflows towards the e-bus SPVs, with growth capital tied up from KKR & Co. estimated to fund the growth plans.*

About the company

Incorporated in 2017, PMI is an OEM engaged in manufacturing electric buses from its manufacturing unit at Dharuhera, Haryana, with a manufacturing capacity of 3,500-4500 buses per annum. The company is promoted by Mr. Satish Kumar Jain (Managing Director), Ms. Anchal Jain (CEO), and Mr. Anurag Agarwal (Vice Chairman). PMI's business model has been primarily focused on supplying e-buses to STUs under tenders awarded under the GCC framework through SPVs, with a smaller share of revenues generated from outright bus sales. From FY2027, pursuant to the completion of its strategic transaction with KKR, the company will supply e-buses to Allfleet India and others.

As of January 2026, PMI's shareholding remains diversified, led by PMI Coaches Pvt. Ltd. (32.2%, despite the slump sale of certain assets to PMI Electro), Ariyah Electric Vehicles LLP (13.9%) with the balance held by institutional investors, promoters, and other shareholders.

Key financial indicators (audited)

PMI (standalone)	FY2024	FY2025	9M FY2026*
Operating income	586.2	735.3	749.8
PAT	21.6	50.8	28.1
OPBDIT/OI	9.3%	10.1%	11.6%
PAT/OI	3.7%	6.9%	3.7%
Total outside liabilities/Tangible net worth (times)	3.7	1.8	-
Total debt/OPBDIT (times)	6.0	5.5	-
Interest coverage (times)	1.6	1.4	1.8

Source: Company, ICRA Research; *Provisional numbers, balance sheet figures not available for 9M; 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

Current (FY2027)					Chronology of rating history for the past 3 years					
					FY2027	FY2026	FY2025	FY2024		
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based-Cash credit/WCDL	Long-term	120.50	Apr 27, 2026	[ICRA]A (Stable)	-	-	-	-	-	-
Non-fund based-Bank guarantee/Letter of credit	Short-term	404.00	Apr 27, 2026	[ICRA]A2+	-	-	-	-	-	-
Term loan	Long-term	101.68	Apr 27, 2026	[ICRA]A (Stable)	-	-	-	-	-	-
Fund based/Non-fund based – Proposed	Long-term/short-term	173.82	Apr 27, 2026	[ICRA]A (Stable)/[ICRA]A2+	-	-	-	-	-	-

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 – Cash Credit/WCDL	Simple
Short-term – Non-fund based- Bank guarantee/Letter of credit	Simple
Long-term – Fund based – Term loan	Simple
Long-term/short term – Fund based/Non-fund based – Proposed	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term – Fund based – Cash Credit/WCDL	NA	NA	NA	120.50	[ICRA]A (Stable)
NA	Short-term – Non-fund based	NA	NA	NA	404.00	[ICRA]A2+
NA	Long-term – Fund based – Term loan-I	FY2025	NA	FY2029	51.68	[ICRA]A (Stable)
NA	Long-term – Fund based – Term loan-II	FY2026	NA	FY2030	50.00	[ICRA]A (Stable)
NA	Long-term/short-term – Fund-based/Non-fund based – Proposed	NA	NA	NA	173.82	[ICRA]A (Stable)/ [ICRA]A2+

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Srikumar Krishnamurthy

+91 44 4596 4318

ksrikumar@icraindia.com

Rohan Kanwar Gupta

+91 124 4545808

rohan.kanwar@icraindia.com

Astha Bansal

+91 124 45458342

astha.bansal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.