



## Press Release

### PMI Electro Mobility Solutions Private Limited

**October 15, 2024**

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	22.50	IVR BBB-/ Stable Withdrawn (IVR Triple B Minus; with Stable Outlook, Withdrawn)	IVR BB+/Negative INC (IVR Double B Plus with Negative Outlook/ ISSUER NOT CO-OPERATING	Upgraded, Removed from ISSUER NOT COOPERATING and subsequently Withdrawn	Simple
Short Term Bank Facilities	138.00	IVR A3 Withdrawn (IVR A Three, Withdrawn)	IVR A4+/INC (IVR A Four Plus / ISSUER NOT CO-OPERATING)	Upgraded, Removed from ISSUER NOT COOPERATING and subsequently Withdrawn	Simple
<b>Total</b>	<b>160.50</b>	<b>Rupees One Hundred Sixty Crore and Fifty Lakhs Only</b>			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

#### Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has upgraded and removed from ISSUER NOT COOPERATING and subsequently withdrawn the long-term rating of IVR BBB- with a Stable outlook and short-term rating to IVR A3 for the bank loan facilities of PMI Electro Mobility Solutions Private Limited (PEMSPL).

The ratings have been withdrawn at the request of the company vide email dated 22<sup>nd</sup> September 2024.

Infomerics has received "No Objection Certificate" dated April 1<sup>st</sup>, 2024 from HDFC Bank, 3<sup>rd</sup> April, 2024 from IndusInd Bank, 6<sup>th</sup> April, 2024 from Indian Bank and 30<sup>th</sup> September, 2024 from SBI Bank, who have extended the facilities, and which have been rated by Infomerics.

The rating is being withdrawn in accordance with Infomerics Policy on Withdrawal of ratings.



## Press Release

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes PEMSPL's will continue to benefit from its operational track record in the business and regular inflow of orders.

IVR has principally relied on the standalone audited financial results of PEMSPL upto 31 March 2023, FY2024 (refers to period April 1st, 2023, to March 31, 2024) provisional certified results, 6MFY25 unaudited results and projected financials for FY2025, FY2026 and FY2027, and publicly available information/ clarifications provided by the company's management.

**Key Rating Sensitivities:** Nil

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Experienced management and continuous funding support:**

The company commenced its operations in 2017 and has a successful track record of around 7 years in the existing line of business. Overall activities of PEMSPL are managed by three directors with Mr. Satish Kumar Jain being the Managing Director. He has experience of more than 3 decades in the bus business. He is ably supported by other three directors namely, Mr. Anurag Agarwal, Ms. Manvi Jain and Ms. Anchal Jain who have effective experience in existing line of business as well as supported by qualified and well experienced management team. The promoters have continuously supported the company by infusion equity or unsecured loans as and when required to support business operations.

- **Technological support from FOTON, China:**

The company has a technological collaboration with FOTON for procurement of e-bus battery, chassis, compressor and braking system. Beiqi Foton Motors Ltd (BFML or FOTON) is a Chinese manufacturer of commercial vehicles like trucks, buses, vans and construction machinery etc., with its corporate headquarters in Beijing, China. It has presence in China, Philippines, Burma, Pakistan, India, Nigeria, Latin America, Malaysia, Korea, Egypt, Algeria, Australia, Vietnam, Thailand, Kenya, South Africa. At present, PEMSPL has three models of electric buses namely Urban (12 metres), Regio (9 metres), and Lito (7 metres).

- **Comfortable order book position:**

The company has comfortable order book position of Rs 2966.68 crore as on 30th September 2024. The company is actively participating in various tenders under FAME-II, intercity/intracity buses and smart city schemes.



## Press Release

- **Comfortable debt protection metrics and financial risk profile:**

In terms of the debt coverage indicators, the interest service coverage ratio (ISCR) and the debt service coverage ratio (DSCR) stood at 2.59x and 2.83x respectively in FY2024 (Provisional). The tangible networth improved to Rs. 425.49 crore in FY2024 (Provisional) from Rs. 158.52 crore in FY2023. The total operating income (TOI) stood at Rs. 586.43 crore in FY2024 (Provisional).

### Key Rating Weaknesses

- **Working capital intensive nature of operations:**

PEMSPL's operations are working capital intensive in nature, supported largely by bank borrowings. The average utilisation of fund based, and non-fund based working capital limits of the company stood high around 86.93% and ~81.53% respectively during the last 12 months ending 30th September 2024. The working capital requirement are expected to increase given the sizeable ramp-up in scale of operations in near term.

- **Exposure to group companies:**

PEMSPL's provides comfort to group companies or joint ventures in the form of equity investments and corporate guarantee for their loans. The company in total has invested Rs ~85.84 crore in its group companies and extended corporate guarantee to the tune of Rs. 906.29 crore for their bank loans. The company has invested in Urban Paribhan City Bus Services Private Limited (Rs. 2.80 crore), Narayana City Bus Operations Private Limited (Rs. 2.23 crore), Shyama Shyam P1 City Bus Operations Private Limited (Rs. 9.37 crore), VSK City Bus Operations Private Limited (Rs. 9.50 crore), Trithankar City Bus Operations Private Limited (Rs. 7.35 crore), Vaasudevo City Bus Operations Private Limited (Rs. 7.35 crore), Green Cell Surat Private Limited (Rs. 2.57 crore), Jagannathji City Bus Services Private Limited (0.01 crore), Vishvam City Bus Operations Private Limited (Rs. 29.92 crore) and Nagpur Mobility Solutions Private Limited (Rs. 14.44 crore).

- **Exposure to fluctuation in raw material prices and increasing competition:**

The company is exposed to volatility in raw material prices. The prices of these raw materials are highly volatile and can lead to volatility in the profitability margins. The company operations are dependent on continued technology support from Chinese major FOTON which exposes the company to adverse geo-political tensions, and it faces stiff competition from players such as Tata Motors Limited, Ashok Leyland Limited, Olectra Greentech, JBM Auto Limited, etc.

**Analytical Approach:** For arriving at the ratings, IVR has analysed PEMSPL's credit profile by considering the standalone financial statements of the company.



## Press Release

### Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)  
[Criteria for Assigning Rating Outlook](#)  
[Policy on Default Recognition](#)  
[Complexity Level of Rated Instruments/Facilities](#)  
[Policy of Withdrawal of Rating](#)

### **Liquidity – Adequate**

The company has an adequate liquidity position. There are long-term secured borrowings from banks, amounting to Rs. 1.38 crore, as on 31st March 2024. Against a current portion of long-term debt (CPLTD) of Rs 0.46 crore in FY2024 (Provisional), the company had a cash accrual of Rs. 34.12 crore in FY2024 (Provisional). The company projected to generate cash accruals of Rs. 108.46 crore in FY2024 against a CPLTD of Rs. 1.37 crore. With the adequate expected cash accruals against repayments, the liquidity position will remain adequate.

### **About the Company**

PMI Electro Mobility Solutions Private Limited (PEMSPL) was incorporated in 2017 as Original Equipment Manufacturer (OEM) under the leadership of Mr. Satish Kumar Jain and Mr. Anurag Agarwal. It is currently managed by directors namely Mr. Satish Kumar Jain (Managing Director), Mr. Anurag Agarwal and Ms. Anchal Jain. The company is engaged in manufacturing of electric buses. The company manufacturing unit is spread over 5.8 acres and is located at Dharuhera, Haryana with a capacity to manufacture 1500 Buses per annum. The buses are sold under the brand PMI FOTON. It is an ISO certified company.

### **Financials (Standalone):**

(Rs. crore)		
For the year ended as on	31-03-2023	31-03-2024
	Audited	Provisional
Total Operating Income	579.40	586.43
EBITDA	55.00	46.90
PAT	34.61	30.06
Total Debt	36.41	56.24
Tangible Networkth	158.52	425.49
EBITDA Margin (%)	9.49	8.00
PAT Margin (%)	5.78	4.96
Overall Gearing Ratio (x)	0.23	0.13
Interest Service Coverage Ratio (x)	2.64	2.59



## Press Release

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 21 <sup>st</sup> Feb 2024	Date(s) & Rating(s) assigned in 2022-23 9 <sup>th</sup> Jan 2023	Date(s) & Rating(s) assigned in 2021-22
1.	Fund Based	Long Term	22.50	IVR BBB-/Stable Withdrawn	IVR BB+/Negative/INC	IVR BBB/Stable	-
2.	Non-Fund Based	Short Term	138.00	IVR A3 Withdrawn	IVR A4+/INC	IVR A3+	

**Name and Contact Details of the Rating Analyst:**

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any





## Press Release

security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	22.50	IVR BBB- /Stable Withdrawn
Letter of Credit	-	-	-	135.00	IVR A3 Withdrawn
PSR/CEL	-	-	-	3.00	IVR A3 Withdrawn

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-PMI-Electro-Mobility-15oct24.pdf>

**Annexure 3: Detailed explanation of covenants of the rated securities/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/combined analysis:** Nil

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).