

## MAGENTA BUS TRANSIT PRIVATE LIMITED

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	100.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1s

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from MAGENTA BUS TRANSIT PRIVATE LIMITED (MBTPL) to monitor the rating(s) vide e-mail communications dated March 05, 2026, March 03, 2026, February 24, 2026, February 19, 2026 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. Further, MBTPL has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. The ratings on ASMPL's bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING**'

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of MAGENTA BUS TRANSIT PRIVATE LIMITED (MBTPL) has been revised on account of non-availability of requisite information. The rating assigned to the bank facilities of Magenta Bus Transit Private Limited (MBTPL) is constrained on account of implementation and post-implementation risks associated with its debt-funded project. The rating also factors in business risks associated with tender-based orders and competitive nature of the industry. However, the rating derives strength from long-term revenue visibility under concessional arrangement with Delhi transport corporation (DTC), locational advantages and experienced promoters.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

At the time of last rating on March 25, 2025, the following were the rating strengths and weaknesses

#### Key weaknesses

##### Implementation and post-implementation risks associated with debt-funded project:

Total estimated capital cost to the company is ₹220.93 crore, out of which ₹165.69 crore is to be funded through bank term loan & remaining ₹55.24 crore out of own fund in form of equity & preference share capital & unsecured loans. Disbursement of term loan would be done upon allocation of respective depots. One depot at Dwarka for 125 buses is expected to be allocated by end of March 2025 while another depot at Peeragarhi for rest 125 buses is expected to be allocated during Q4FY26 (refers to January 01 to March 31). The ability of the company to complete the project without any cost escalation with timely infusion of funds by promoters & stabilization and streamlining of revenue post implementation remains to be seen

##### Business risks associated with tender-based orders:

MBTPL undertakes contracts from DTC, which are awarded through the tender-based system. The company is thus exposed to risk associated with the tender-based business, which is characterized by intense competition. The growth of the business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder. Further, any changes in the government policy or government spending on projects are likely to affect the revenues of the company.

##### Highly competitive and fragmented nature of the industry:

The highly fragmented and unorganized nature of the industry results in intense price competition and may lead to pressure on the company's profitability in case of adverse situations. However, the players with superior quality of service and presence in

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

different locations across country and clientele across various industries would enjoy competitive edge and would be able to garner more business and long-term contracts.

**Key strengths****Long-Term Revenue visibility under Concessional arrangement with Delhi Transport Corporation:**

The company has entered into 12 years concessional arrangement with Delhi Transport Corporation (DTC) for procurement, operation & maintenance of 250 AC low floor fully built electric buses (9-meter length) for providing transportation services related to public transport buses in Delhi region. The commercial operations of the company are expected to commence from May 2025. The company would be receiving agreed per kilometre (PK) fee for each bus kilometre (KM) run during the month for fixed assured KMs annually. Presence of long-term concessional arrangement with fix assured KMs, moderates the off-take risk up to a great extent.

**Experienced promoters:**

The promoters of the company Virendra Singh, Ramniwash Singh, Sanjay Kumar Singh, Rajeev Kumar and Rahul Rathi, have experience ranging from 17 to 35 years through their association with Intact Transport Pvt Ltd. and Govardhan Transport Company Private Limited, both companies are already in the business of operation and maintenance of buses under Gross Cost Contract model with Delhi Government.

**Locational Advantage:**

Delhi's dense population and heavy traffic create an ongoing demand for efficient public transportation. As one of the most populous cities in the world, Delhi faces significant challenges related to congestion and mobility. Public transportation, including buses, metro, and other modes, plays a critical role in alleviating these issues by providing a reliable, affordable alternative for daily commuters.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

**Applicable Criteria**

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[CARE Ratings' Criteria on Project Stage Entities](#)

[Rating Methodology –service sector](#)

## About the firm and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Road Transport

MBTPL, established in June 2023, aims to offer transportation services for public buses in the Delhi region. The company has secured a 12 year concessional agreement with the Delhi Transport Corporation (DTC) to procure, operate, and maintain 250 airconditioned, low floor, fully built electric buses.

**Brief Financials:** Not Applicable, as project stage entity

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

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	2.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	30-09-2033	98.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	98.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (25-Mar-25)	-	-
2	Fund-based - LT-Cash Credit	LT	2.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (25-Mar-25)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

### Contact us

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