

Progressive Transit Private Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	106.50	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information and clarification from Progressive Transit Private Limited (PTPL) to monitor the rating vide e-mail communications dated March 23, 2026, and March 27, 2026, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite clarification for monitoring the rating. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The rating on PTPL'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 rating assigned are constrained by nascent stage of operations along with stabilization risk associated with the non-delivery of contracted AC buses, leveraged capital structure with low net worth base, counterparty risk owing to likely receivable build-up, though mitigated to an extent by escrow mechanism in place, and exposure to potential regulatory risk and operational issues emanating from frequent strikes by private bus operators which might impact liquidity during the initial phase.

However, the rating derive strength from the long track record and experience of its promoters in public transport operations and management (O&M) segment, revenue visibility based on fixed fee per kilometre for an assured distance with Odisha State Road Transport Corporation (OSRTC/ Authority) which is subject to bus availability and support from Odisha government under the Location Accessible Multimodal Initiative (LACCOMI) scheme along with tie up with Tata Motors Limited for supply of bus fleet.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 27, 2025, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies).

Key weaknesses

Nascent stage of operations along with stabilization risk

The company successfully secured the contract to operate buses under the LACCOMI scheme of the Odisha government, with Cluster-2 being allocated for the operation of 339 buses across five districts, commencing from February 2024. As of February 2025, the company has delivered 280 non-AC buses and 17 AC buses, each 9 meters in length. However, the delivery of 42 AC buses (12 meters in length) remains pending due to delay in route allocation by the authority. The term loan for these buses has already been sanctioned, and the order has been placed with Tata Motors Limited. The delay in the delivery of the AC buses is attributed to recent strikes by private bus operators as operating government AC buses at subsidized fares could result in operational losses for the private operators. Hence, the ability of the company to ramp up its operation with timely delivery of the contracted buses remains a key monitorable.

Leveraged capital structure with low net worth base

The total cost of acquiring the contracted buses stood at Rs 124.49 crore, funded by term loans of Rs 109.64 crore and promoter's contribution of Rs 12.18 crore. Consequently, the overall gearing ratio stood at 5.37x as of March 31, 2024, due to the company's nascent stage of operations and a low net worth of Rs 12.79 crore. Care Ratings expects the overall gearing ratio to remain moderated at approximately 3x in the medium term with the disbursement of the term loan for AC buses. Additionally, the coverage indicators remain susceptible to the company achieving the expected revenue from the AC bus segment.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Counterparty risk owing to likely receivable build-up; mitigated to an extent by the escrow mechanism

The counterparty risk for such projects is elevated due to low ticketing collections for the authority compared to the amount payable to the operators under the contract. However, the presence of an escrow mechanism helps mitigate this risk. The authority is required to deposit and maintain three months of revenue payable upfront as a payment reserve in an escrow account for the entire concession period of 10 years, totalling around Rs 44 crore. This reserve is intended for use in case of any exigencies. The LACMI scheme was introduced to provide last-mile connectivity from the Gram level to the capital city. Given the scheme's social significance, payments are currently being received on a fortnightly basis from the authority.

Key strengths

Revenue visibility given the fixed per kilometre fee for an assured distance, however, subject to bus availability

As per the terms of the agreement, PTPL will get a fixed rate for a minimum assured distance of 38,000 km/bus semi-annually, subject to bus availability. Accordingly, the company does not bear the traffic risk on the routes, and only needs to ensure availability of the buses at the rate of at least 93% in FY25 (refers to April 01 to March 31). The availability of spare buses is likely to aid the company in ensuring the required fleet availability and aid in a stable revenue profile. However, the clause related to unutilised kilometres to be paid at 35% for unutilised kilometres and excess utilised kilometres to be paid at 65% of the applicable rate brings in some element of variability. Also, intra-state bus operations, in general, are subsidised and authority can recover only part of the revenues from ticket collections. As a result, dependence on timely Government grants/support to the authority for funding the gap remains critical. Additionally, the per KM fee payable to operators is revised on regular intervals, based on variation in fuel prices, Consumer Price Index for Industrial Worker (CPIIW) and Wholesale Price Index (WPI) for consumables in accordance with terms of the agreement.

Experienced promoters with long track record of operations

The company is a consortium of three entities- Narbada Travels Private Limited, which holds a 60% stake and operates 100 CNG buses in Odisha; Urban Paribahan Services Private Limited, with a 20% stake, managing around 850 buses for school and interstate travel in West Bengal, and well-versed in the political and social scenarios of the region; and Progressive Auto Serve Private Limited, also with a 20% stake, responsible for the maintenance of TML buses in Delhi, similar to the buses in the current tender. The experience of promoter entities with existing operations in Odisha, expertise in operating large fleet size, and maintenance of TML's diesel buses is expected to benefit PTPL. Additionally, the directors of each promoter entity bring over two decades of experience in the bus operations and maintenance sector. The operations of the company are managed by Mr. Gajinder Yadav and Mr. Anurag Agarwal.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

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

Progressive Transit Private Limited (PTPL) is a consortium formed by Narbada Travels Private Limited (60% shareholding), Urban Paribahan Services Private Limited (20%), and Progressive Auto serve Private Limited (20%), established on February 20, 2018. The consortium successfully bid for a tender issued by the Odisha State Road Transport Corporation (OSRTC/ Authority) to select a bus operator for the supply, operation, and maintenance of buses for public transport on routes in clusters II under the LACMI scheme, utilizing a Gross Cost Contract (GCC) model.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	7.51	142.21
PBILDT*	2.15	31.38

Profit after tax (PAT)	0.13	7.18
Overall gearing (x)	5.60	4.04
Interest coverage (x)	2.99	4.19

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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-Term Loan		-	-	March 2029	106.50	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	Fund-based - LT-Term Loan	LT	106.50	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (27-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-Term Loan	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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in</p> <p>Sachin Mathur Associate Director CARE Ratings Limited Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in</p> <p>Rohit Bhatia Lead Analyst CARE Ratings Limited E-mail: Rohit.Bhatia@careedge.in</p>
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