



Press Release
TRANSITRA PROJECTS PRIVATE LIMITED
November 06, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	87.00	ACUITE BB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	87.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BB+**' (read as **ACUITE Double B plus**) on the Rs 87.00 Cr. bank facilities of Transitra Projects Private Limited (TSPPL). The outlook is '**Stable**'.

Rationale for Rating

The reaffirmation reflects postponement of schedule completion date of Phase 2 warehouse from June 2025 to June 2026 due to pending approvals from the authority which led to cost overruns. The rating also considers high project execution risk related to Phase 2 as ~ 65 per cent of work is completed as on October 2025 and susceptibility of cash flows to lessee' performance along with occupancy and renewal risk in phase 1. The rating however, favourably factors in the ongoing funding support from the promoter group, the group's established operational track record in similar businesses, steady revenue stream under lease arrangement from reputed clients in Phase 1.

About the Company

Transitra Projects Private Limited (TSPPL) was incorporated in 2018, the company is a part of Scalar group, which is established in Hyderabad for more than 100 years. TSPPL was established with the main purpose of undertaking business of logistic warehouse. The registered office of the Company is at 6-3-679, I St Floor, Elite Plaza, Punjagutta, Hyderabad, Telangana - 500082. The company is a special purpose vehicle (SPV) formed for construction and lease of ware house facility at Kagal, Kohlapur. The company leased out warehouse-1 to Hindustan Unilever Limited (HUL) and CG marketing private limited. The company is promoted by Sri Pramod Kumar Gupta and his family members for the purpose of providing logistic warehouse service.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the TSPPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management and establish track record of operations

TSPPL is a part of Scalar group promoted by Mr. Pramod Kumar Gupta and family. The

promoters of the group have been engaged in the warehouse construction and leasing business for more than a decade through various entities including Musaddilal Projects Private Limited, Egwood Industries Private Limited, Musaddilal Properties Private Limited, Bhawat Chattels Private Limited among others. The group owns contracted warehouse space of ~3 Million sq. ft. in 7 locations all over India and entered long term lease agreements of 9-10 years with reputed clients namely Hindustan Unilever Limited, ITC Limited and UTI Worldwide (India) Private Limited under various SPVs. Apart from the leasing business, the Scalar group is in plywood manufacturing business since 1964 under 'Egwood Boards and Panels Private Limited'. Acuité believes that the company will continue to benefit from the promoter group and management experience in the similar business over the medium term.

Commencement of revenue stream under lease arrangement from reputed client in Phase 1

TSPPL has commenced revenue generation from its Phase 1 (leasable area of 220,246 Sq. ft.) warehouses through lease agreements with Hindustan Unilever Limited (HUL) and CG Marketing Private Limited. HUL, a leading FMCG company in India, has entered a nine-year lease for 220,246 sq. ft. of space, effective from June 2024 to May 2033, with 15% escalation every three years. The lease is expected to generate monthly revenue of approximately Rs. 40 lakh. At an earlier stage, HUL had taken possession of 170,246 sq. ft., and the remaining 50,000 sq. ft. was initially expected to be occupied by December 2024. However, this transition has not yet materialized.

To ensure optimal utilization of the unoccupied area, TSPPL has temporarily leased approximately 40,715 sq. ft. to CG Marketing Private Limited, a logistics and supply chain service provider. This lease spans five years with a two-year lock-in period, at a monthly rental of Rs. 8.55 lakh. A mutual understanding exists between TSPPL and CG Marketing that, should HUL require the remaining space, CG will vacate and relocate to Phase 2, thereby enabling HUL to occupy the full area as originally planned. Acuite believes, these long-term agreements with tenants assure steady cash flows for the company over the medium to long term, however the risk associated with the lessees performance and renewal risk would remain a key rating monitorable.

Weaknesses

High Project completion risk in phase 2

TSPPL is currently developing Warehouse-2, which will offer a leasable area of approximately 300,000 sq. ft. Due to delays in securing approvals from MIDC impacted the progress of the phase 2 with postponement of schedule completion date from June 2025 to June 2026 with cost overruns. With the requisite approvals now in place, the revised completion timeline has been extended to June 2026. The delay in achieving the commercial operations date (COD) highlights project execution risk, as ~ 65 per cent of project is completed till Oct 25. Timely completion and commencement of operations and successfully securing lessees will remain a key rating sensitivity.

Concentrated lessee profile

The company's revenue remains concentrated across two tenants—Hindustan Unilever Limited and CG Marketing Private Limited—until Warehouse-2 becomes operational and is leased to additional clients. This concentration exposes the company to revenue-related risks. Acuité believes that any significant delay or disruption in lease rental inflows from these two tenants could impact the company's debt servicing ability. However, this risk is partially mitigated by the presence of long-term lease agreements and lock-in periods with both clients.

Leveraged Financial Structure and debt Refinancing

The company's capital structure comprises of Rs. 26.40 Cr. Optionally Convertible Debentures (OCDs) from the promoter group - Musaddilal Projects Private Limited (MPPL), unsecured loans of Rs. 14.80 Cr. from promoters and MPPL, and a term loan of Rs. 48 Cr. Additionally, a construction finance facility of Rs. 40 Cr. has been sanctioned for the development of Warehouse-2. Earlier, the company had secured a term loan facility of Rs. 87.00 Cr. of which Rs. 52 Cr. had been disbursed for Phase 1. The balance disbursement was contingent upon the receipt of Letters of Intent (LOIs) for Phase 2, as stipulated by the bank. Due to delays in obtaining approvals from MIDC, the company had requested and received an extension

from the bank, revising the project completion deadline from June 30, 2024, to June 30, 2025.

Following this, the company refinanced the facility through a Rs. 48 Cr. Lease Rental Discounting (LRD) loan from another bank. The remaining repayment was supported by the MPPL and the promoters. The decision to close the SBI facility was driven by the condition that the undisbursed Rs. 35 Cr. would only be released upon submission of LOIs for Phase 2 tenants. In light of these constraints, the company opted for a more flexible financing arrangement. To support the ongoing construction of Phase 2, the company has secured a Rs. 40 Cr. construction loan from another bank. Given the tight cash flow position, financial support from MPPL and the promoters remains critical. MPPL has extended a corporate guarantee, and the promoter has also committed personal support to ensure timely servicing of debt obligations, as outlined in the sanction terms.

Susceptibility to lessee' performance along with occupancy and renewal risk

TSPPL primarily generates cash flows from lease rentals. The company's ability to meet its repayment obligations will be dependent on the continued and timely flow of rentals as per the agreed terms under arrangement. The occurrence of events such as delays in receipt of rentals, or early exits/negotiation by lessee due to the latter's lower than expected business performance may result in disruption of cash flow streams thereby affecting TSPPL's debt servicing ability. Any significant renegotiations by the lessees can adversely impact the cash flows for the company.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

TSPPL shall be maintaining Debt Service Reserve Account (DSRA) for 3M instalment along with the ESCROW waterfall mechanism.

Stress case Scenario

Acuite believes that, given the presence of DSRA mechanism TSPPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

Lower than expected cash flow generation from phase 1 leading to cash flow mismatches thereby impacting debt servicing ability or coverage ratios.

Timely completion of the construction of warehouse-2 as per latest timelines.

Timely occupancy of warehouse-2 as per latest expected timelines

Liquidity Position

Adequate

The company has secured debt funding from the bank for the construction of its Phase-2 warehouse. The lender derives additional comfort from the company's association with Musaddilal Projects Private Limited (MPPL). Historically, the company has received financial support from MPPL and the promoters in the form of unsecured loans and optionally convertible debentures (OCDs). Additionally, an infusion of approximately Rs.11 Cr. was made to prepay the earlier construction term loan. Further, rental cash flows from phase 1 are expected to remain adequate with above unity average debt service coverage ratio (DSCR) during the tenure of the loan.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	3.06	0.04
PAT	Rs. Cr.	(3.83)	(0.31)
PAT Margin	(%)	(125.04)	(814.32)
Total Debt/Tangible Net Worth	Times	(26.65)	2377.61
PBDIT/Interest	Times	0.83	(0.40)

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>
- Lease Rental Discounting : <https://www.acuite.in/view-rating-criteria-106.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Aug 2024	Proposed Long Term Bank Facility	Long Term	35.28	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	51.72	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE BB+ Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	14 Aug 2025	Not avl. / Not appl.	14 Aug 2040	48.00	Simple	ACUITE BB+ Stable Reaffirmed

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About Acuité Ratings & Research

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