



Press Release
TRIGON TRANSIT PRIVATE LIMITED
May 02, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE B Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITE B (read as ACUITE B)**' on the Rs. 30.00 Cr. bank facilities of Trigon Transit Private Limited (TTPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the established track record and experienced promoter group. However, the rating is constrained by the company's small scale of operations, below average financial risk profile and moderately intensive working capital operations along with stretched liquidity.

About the Company

Incorporated in 2009, Trigon Transit Private Limited (TTPL) being a part of VIBGYOR Group with registered office in Mumbai, Maharashtra. TTPL is engaged in the business of providing transportation services for schools. The directors include Mr. Rustom Pesi Kerawalla and Ms. Kavita Rustom Kerawalla. The company is specializing in secure and sustainable means for student transportation, executive transportation and other personalized vehicle rentals through our extensive fleet of 700+ Buses and 80+ LMVs.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Trigon Transit Private Limited (TTPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Promoter Group

TTPL has an established track record of over a decade in this line of business and is managed by Mr. Rustom Pesi Kerawalla and Ms. Kavita Rustom Kerawalla. The directors of the company possess over twenty years of industry experience. Mr. Kerawalla holds a 99 per cent stake in TTPL, with the remaining 1 per cent held by Eduspark International Private Limited (EIPL) (holding company of the VIBGYOR group of schools.) Mr. Kerawalla began his journey in the education sector with the establishment of the first VIBGYOR school in Goregaon, Mumbai in 2004. Within 20 years, this initiative evolved into a professionally managed network of schools under the VIBGYOR Group. The VIBGYOR Group operates approximately 39 schools across 13 cities in 7 states. TTPL is providing transportation services only to the Vibgyor group of schools. Acuité believes the company will continue to benefit from its experienced promoter group, thus expected to sustain its business risk profile over the medium term.

Weaknesses

Small scale of operations

TTPL has small scale of operations, as reflected in its operating income of Rs. 23.23 Cr. for FY2024, compared to Rs. 22.86 Cr. in FY2023 and Rs. 25.20 Cr. in FY2022. The company reported revenue of Rs. 23.66 Cr. in 11M FY2025 and estimated to achieve revenue of approximately Rs. 27 Cr. in FY2025. The operating margins slightly improved to 62.97 percent in FY2024 from 61.77 percent in FY2023, Similarly, Profit After Tax (PAT) margins also increased to 6.39 percent in FY2024 from 2.39 percent in FY2023, primarily due to lower interest costs. However, the debt funded capex for FY25 is expected to impact profitability margins adversely due to

increased interest cost.

Moderately intensive working capital management

The working capital operations of the company are moderately intensive in nature, marked by a GCA of 308 days in FY 2024, as compared to 309 days in FY 2023. Debtor days stood at 218 days as of March 31, 2024, compared to 239 days as of March 31, 2023. Acuité believes that the working capital operations of the company would remain moderately intensive over the medium term.

Below Average financial risk profile

The financial risk profile of TTPL is below average, marked by low net worth, high gearing and weak debt protection metrics. The company's net worth stood at Rs.11.83 Cr. as of March 31, 2024 compared to Rs. 10.34 Cr. as of March 31, 2023. Gearing remained high at 3.42 times as of March 31, 2024, compared to 3.72 times as of March 31, 2023. Further, debt protection metrics remained weak, with the debt service coverage ratio (DSCR) at 0.75 times in FY 2024, compared to 0.68 times in the previous year. Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 4.02 times as of March 31, 2024, compared to 4.20 times as of March 31, 2023. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.25 times in FY 2024, compared to 0.20 times in the previous year.

In FY25, the company availed vehicle loans of Rs. 88 Cr., and added around 290 – 300 buses, which increased the total debt to Rs. 128.22 Cr. Of this, nearly Rs.108 Cr. is backed by personal guarantee from the promoter, Mr. Rustom Kerawalla. This debt funded capex is expected to further weaken the company's financial risk profile. Acuité believes that the debt funded capex is further going to deteriorate the financial risk profile to a great extent.

Rating Sensitivities

- Consistent Improvement in scale of operations and profitability margins.
- Deterioration in working Capital cycle.
- Changes in Financial Risk Profile owing to major debt funded capex plans.
- Ability to generate adequate net cash accruals for timely servicing of debt obligations

Liquidity Position

Stretched

The company's liquidity position is stretched, marked by inadequate net cash accruals of Rs. 10.16 Cr. in FY2024 against its debt obligations of around Rs. 14.80 Cr. Further, the company is expected to generate cash accruals in the range of Rs. 10.79 – 14.94 Cr., compared to maturing repayment obligations of around Rs. 23.32 Cr. – 25.03 Cr. over the medium term. In case Any shortfall the promoters would support for timely debt repayment. The current ratio stands at 0.91 times as on March 31, 2024. The cash and bank balance as of FY24 stood at Rs. 1.40 Cr., compared to Rs. 1.49 Cr. in FY23.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	23.23	22.86
PAT	Rs. Cr.	1.48	0.55
PAT Margin	(%)	6.39	2.39
Total Debt/Tangible Net Worth	Times	3.42	3.72
PBDIT/Interest	Times	3.74	3.17

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

None

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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 :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Term Loan	13 Dec 2024	Not avl. / Not appl.	10 Dec 2029	10.00	Simple	ACUTE B Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	10 Feb 2025	Not avl. / Not appl.	12 Feb 2030	20.00	Simple	ACUTE B Stable Assigned

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About Acuité Ratings & Research

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