# Matlogic Systems Private Limited

July 14, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long Term Bank Facilities | RBI | 25.00 | CARE B+; Stable | Assigned |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Rating assigned to the bank facilities of Matlogic Systems Private Limited (MSPL) is constrained by its nascent stage of operations, with FY26 being its first full year of operations and therefore its ability to scale up its operations profitability on sustained basis needs to be monitored. Rating is also constrained by intense competition in the industry and dependence on tender based government projects. Further, the company's low net worth base of Rs. 1.94 crore as on March 31, 2026, results in a leveraged capital structure, as evidenced by a Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio of 15.13x as on that date. The stretched leverage and limited capital base constrain its financial flexibility.

Ratings, however, derive comfort from the company's strong unexecuted order book position, reflected in an order book-to-operating income ratio of 4.76x based on FY26 revenue, providing healthy revenue visibility over the medium term. The ratings also take into account the experienced promoters.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Significant increase in scale of operations with improvement in PBILDT margins beyond 10%
- Significant increase in net worth base

### Negative factors

- Deterioration of capital structure with overall gearing above 3.00x
- Any delays in execution of orders leading to significant short fall in revenue and margins
- Deterioration in working capital cycle over 120 days on a sustained basis.

## Analytical approach: Standalone

## Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that MSPL's credit profile will remain stable, marked by a healthy order book position and benefits from its JV partners.

## Detailed description of key rating drivers

## Key weaknesses

### Nascent stage of operations

The company was incorporated in August 2022, while operations commenced in FY26. MSPL reported total operating income (TOI) of ₹33.49 crore with moderate profitability, marked by profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 7.59% and a profit after tax (PAT) margin of 5.69% for FY26 (provisional). Moreover, the company has two orders on hand where one project commenced operations in late FY26, while work on the other project is at an initial stage. Given the limited track record of operations, ability of the company to achieve its envisaged revenue and profitability on sustained basis remain crucial and key monitorable.

### High Competition in Technology Solutions

MSPL faces intense competition in the technology solutions market, where competition is driven by a crowded field of providers offering system integration, software development, and IT infrastructure services. The company must contend with constant price

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

pressures, rapid technological advancements, and the risk of service commoditisation, which make it difficult to stand out. The company also faces evolving customer expectations, the need to keep pace with emerging technologies, and the challenge of attracting and retaining skilled talent, which further intensify the competitive environment. These pressures highlight challenges in sustaining market relevance and underline the need for MSPL to navigate these pressures to maintain its operations.

**Government Project Dependencies**

Reliance on government contracts exposes the firm to bureaucratic delays, policy shifts, and compliance complexities. These factors can affect project timelines and revenue stability, making dependence on government contracts a significant challenge.

**Leveraged capital structure and low tangible net worth**

As on March 31, 2026, the entity's capital structure stood leveraged, marked by an overall gearing of 1.74x with high reliance on loans and advances from related parties. The total outside liabilities to net worth stood high at 15.13x on March 31, 2026. The company commenced projects in FY26; hence, its net worth is currently low at ₹1.94 crore. However, debt coverage parameters is satisfactory, marked by total debt to gross cash accruals (GCA) at 1.77x. On the back of expected improvement in profitability resulting in accretion of profits to net worth and expected infusion of funds by promoters to the tune of ₹1-₹2 crore, the leverage is expected to witness an improvement; however, it is likely to remain elevated.

## Key strengths

**Experienced promoters**

Promoters have multiple businesses, namely food, wind, gas pipeline, drilling and others. Mr. Kumaraswamy is a major shareholder of MSPL, who has project experience through other group companies and experience in the supply of food to ICDS through other entities. Mr. Rahul Natarajan Boopathy, MBA (UK), brings expertise in business development, strategic planning, management of large-scale technology and infrastructure projects and client acquisition. Mr. Raja Thangavel, a Mechanical Engineering graduate, specialises in project execution, operations management, vendor coordination, and quality assurance.

**Strong orderbook**

The company has two ongoing orders, both from Karnataka Power Transmission Corporation Limited (KPTCL), totalling to Rs. 170 crore of which approximately half of the billing is likely to be done in FY27. Of these two orders, one project was subcontracted to MSPL by its group company, BonTon Software Private Limited (BonTon). The second project was received by MSPL from KPTCL in consortium with HCIL Comtel Private Limited. MSPL has an order book-to-sales ratio of 4.76x for FY26, thus providing medium-term revenue visibility.

## **Liquidity**: Stretched

Company’s low networth base and limited track record of operations limits its financial flexibility. It has a modest cash and cash equivalent of ₹0.40 crore as on June 01, 2026. However, the company has no scheduled repayment obligations and no debt-funded capex planned in the near term. The company is in the process of sanctioning fund-based facilities of ₹25 crore.

## Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Services Sector
Financial Ratios – Non financial Sector

## About the company and industry

## Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Information Technology | Information Technology | IT - Services | IT Enabled Services |

Bengaluru, Karnataka-based Matlogic Systems Private Limited (MSPL) was established in August 2022 by Rahul Natarajan Boopathy and Raja Thangavel. MSPL is an ISO-certified company engaged in system integration, software development, and IT infrastructure services, primarily delivering customised solutions for government and enterprise clients across sectors such as e-governance, utilities, transport, retail, smart cities, and IoT.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (UA) |
|---|---|---|
| Total operating income | 0.05 | 33.49 |
| PBILDT* | 0.01 | 2.54 |
| Profit after tax (PAT) | 0.01 | 1.90 |
| Overall gearing (x) | 0.00 | 1.74 |
| Interest coverage (x) | 0.00 | VH |

A: Audited; UA: Unaudited; VH: Very high, 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-1

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of the regulators:**
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | Name of the Regulator | Complexity Level | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Fund-based-Long Term | RBI | Simple | - | | - | - | 25.00 | CARE B+; Stable |

## 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 2026-2027 | 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 |
| 1 | Fund-based-Long Term | LT | 25.00 | CARE B+; Stable | - | - | - | - |

LT: Long term

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

## Annexure-4: 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.

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**About us:**
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