MSJathin Infra Private Limited

August 06, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	52.00 (Enhanced from 45.00)	CARE BB; Stable	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had earlier placed the rating of MSJathin Infra Private Limited (MSJIPL) under Issuer Not Cooperating (INC) category, as the company did not provide the information to carry out detailed review. MSJIPL has since provided the requisite information, and therefore the rating has been removed from INC.

Reaffirmation of the rating assigned to bank facilities of MSJIPL factors in sustained deterioration in debt coverage indicators due to availing additional term debt without corresponding increase in profitability, moderate scale of operations, geographical concentration risk, tender-driven nature of business, and profitability susceptible to fluctuations in raw material prices.

These weaknesses are partially offset by experienced management, satisfactory order book position, healthy profitability margins, and low counterparty risk with timely collections.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in term debt/profit before depreciation, interest, and taxes (TD/PBDIT) to less than 1.75x.

Negative factors

- Increase in TD/gross cash accruals (TD/GCA) to over 2.5x.
- Extension in gross current asset days to 150 days and above.
- Any significant debt-funded capex undertaken by the company, resulting in overall gearing of over 1x in the medium term.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that MSJIPL shall continue to benefit from its experienced management and established relations with its customers and sustain its moderate financial risk profile in the medium term.

Detailed description of key rating drivers

Key weaknesses

Negative cash flow from operations

The company's cash flow from operations was reported as negative in FY26, mainly considering higher short-term loans and advances that increased to ₹74 crore (PY: ₹71 crore), considering loans and advances given to promoters and others. A major part of these loans and advances pertains to the purchase of land for parking vehicles near the landfill site. The same resulted in negative cash flow from operations of ₹5.94 crore in FY26. Further increase in loans and advances will remain a key credit monitorable.

Deteriorating debt coverage indicators

The company's TD has increased to ₹48.30 crore as on March 31, 2026, from ₹21.64 crore as on March 31, 2024, with a major part of it being term debt for the purchase of land parcels in Bengaluru. Since the debt availed was for non-core activity, the company's profitability has remained stagnant resulting in sustained deterioration in debt coverage indicators. Continuous

[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 ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

investment in land parcel may result in higher debt repayments and could exert pressure on the company's liquidity and will be a key credit monitorable.

Exposed to geographical concentration risk

The order book is highly concentrated, with most of its orders from Bengaluru under the Bruhat Bengaluru Mahanagara Palike (BBMP) premises. Hence, CareEdge Ratings notes that change in the state's policy towards the construction sector, such as changes in budget allocation for infrastructure projects, might affect the company adversely.

Tender-based nature of operations in intensely competitive industry

The industry is fragmented in nature, with a large number of small- and medium-scale players present at the regional level and the tender-driven nature of construction contracts leading to aggressive bidding to bag orders, thus intensifying competition and putting pressure on profitability margins of players. Hence, business prospects depend on periods when the government rolls out tenders, due to which business volumes remain high in years when there are more government tenders and vice versa.

Operations susceptible to changes in government regulations

The business remains exposed to changes in the regulatory environment. Downward revision in the budget allocation with respect to solid waste management (SWM) may impact the company's revenue. Regulatory changes, which renders the company's operations environmentally hazardous or leads to repudiation of the contract may have an adverse impact on the company's operations. Several municipalities have been struggling to fund SWM projects from their own revenue receipts.

Key strengths

Experienced management

The company is promoted by M. Sudarshan Raju and his wife, Varshitha Konduru, and is closely held by promoters. Sudarshan Raju is the Managing Director and has ~10 years of experience in the industry. He looks after overall day-to-day activities of the company. Prior to the company's establishment, promoters were in the civil construction business.

Low counterparty risk and satisfactory collection profile

The counterparty risk is partially mitigated by presence of orders from the government sector, mainly from BBMP and Bengaluru Solid Waste Management Limited (BSWML). As payments are received through budget allocations, the collection profile stood satisfactory. The collection period stood at less than 15 days in the last two years. Going forward, the company's ability to receive payments in a timely manner at similar levels will be a key rating monitorable.

Satisfactory order book position

MSJIPL has an unexecuted order book position of ₹505.48 crore, as on June 30, 2026, which reflects revenue visibility of 2.44x over FY26 revenue. The order book is mainly diversified across SWM services (bio-mining and scientific landfill) and civil construction. Top four orders constitute over 70% of the unexecuted order book, thus exposing the company to customer concentration risk.

Liquidity: Adequate

The company's liquidity position remained adequate, as characterised by moderate utilisation of average fund-based limits at ~64%. As of March 31, 2026, the company had an outstanding term debt of ₹41.54 crore. The company earned GCA of ₹20.69 crore and gross repayments were in the range of ₹6.24 crore per year, which provided sufficient cushion in case of exigencies. The company reported timely collections from customers. The company reported low unencumbered cash balances of ₹0.09 crore as of March 31, 2026 (Provisional).

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Utilities	Other utilities	Waste management

MSJIPL incorporated on December 08, 2015, and is based in Bengaluru, Karnataka. MSJIPL is engaged in SWM services and civil construction in Karnataka, primarily in Bengaluru. SWM services include biomining (a solution involving segregation, treatment, recycling, and thus clearing landfills), scientific landfills, and leachate treatment, among others. The company also participates in orders related to civil construction works, such as roads, drain works, swimming pools, construction of statues, and school buildings, among others.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	205.60	207.14
PBILDT*	30.43	30.45
Profit after tax (PAT)	17.70	18.20
Overall gearing (x)	0.52	0.51
Interest coverage (x)	6.39	6.61

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of 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 - LT-Bank Overdraft	RBI	Simple	-	-	-	-	15.00	CARE BB; Stable
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	31-03-2030	12.00	CARE BB; Stable
Non-fund-based - LT-Bank Guarantee	RBI	Simple	-	-	-	-	25.00	CARE BB; 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 - LT-Term Loan	LT	12.00	CARE BB; Stable	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Oct-25)	1)CARE BB+; Stable (08-Oct-24) 2)CARE BB+; Stable (05-Aug-24)	1)CARE BB+; Stable (02-Aug-23)
2	Non-fund-based - LT-Bank Guarantee	LT	25.00	CARE BB; Stable	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Oct-25)	1)CARE BB+; Stable (08-Oct-24) 2)CARE BB+; Stable (05-Aug-24)	1)CARE BB+; Stable (02-Aug-23)
3	Fund-based - LT-Bank Overdraft	LT	15.00	CARE BB; Stable	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Oct-25)	1)CARE BB+; Stable (08-Oct-24)	1)CARE BB+; Stable (02-Aug-23)

							2)CARE BB+; Stable (05-Aug-24)	

*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: 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Karthik Raj K Director **CARE Ratings Limited** Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Himanshu Jain Associate Director **CARE Ratings Limited** Phone: +91-80-4662 5528 E-mail: himanshu.jain@careedge.in Mayank Sourabh Lead Analyst **CARE Ratings Limited** E-mail: Mayank.Sourabh@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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