

June 09, 2026

Srinivas Waste Management Services Private Limited: [ICRA]BBB-(Stable)/[ICRA]A3; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Working capital limits	10.00	[ICRA]BBB-(Stable); assigned
Long term – Fund based – Term loans	12.88	[ICRA]BBB-(Stable); assigned
Short term – Non fund based – Bank Guarantee	6.00	[ICRA]A3; assigned
Long term – Unallocated limits	3.12	[ICRA]BBB-(Stable); assigned
Total	32.00	

*Instrument details are provided in Annexure II

Rationale

The ratings assigned to the bank lines of Srinivas Waste Management Services Private Limited (SWMSPL) considers its established track record in providing municipal solid waste management services to various municipal bodies, including the Greater Chennai Corporation, Tirupur Corporation, Coimbatore Corporation, Karaikal Municipality, and the Madras Export Processing Zone (MEPZ), among others. These strengths, coupled with healthy order inflows in recent years, have enabled the company to scale up its operating income (OI) to around Rs. 294 crore in FY2026 (provisional), reflecting a healthy compounded annual growth rate (CAGR) of about 52% over the past five years. Additionally, the company has been able to maintain its operating profit margins (OPM) at around 11% during FY2024-FY2026. The ratings also draw comfort from SWMSPL's comfortable capital structure, as reflected in a gearing of 0.4 times and TOL/TNW of 1.2 times as on March 31, 2026. Going forward, revenues and earnings are expected to be supported by anticipated renewals of existing contracts and new orders in wastage collection and transport segment, driven by established relationships with government/municipal corporations.

The ratings are, however, constrained by the company's moderate scale of operations and high customer concentration risk, with around 85% of revenues derived from Tirupur and Coimbatore corporations. While the company has demonstrated track record of securing new contracts, its moderate scale limits its ability to absorb adverse developments arising from delays, termination, or non-renewal of key contracts. The ratings are further constrained by the tender-based nature of operations, which exposes the company to intense competition and pricing pressure as the company may not be able to pass on any increase in costs owing to fixed price contracts. Any loss of key contracts could adversely impact its scale and earnings, which remains a key rating monitorable. Further, the company's cash flows remain exposed to potential delays in payments from government/municipal bodies, with the inherent counterparty risk associated with municipal bodies remaining relevant for the credit profile. Moreover, the company's operations are exposed to regulatory and government policy-related risks at the state level, as its entire operations are in Tamil Nadu.

The Stable outlook on the rating reflects ICRA's expectation that the company will continue to secure new orders and receive timely payments from its key customers. It also factors in the expectation that any incremental capex will be funded prudently, enabling the entity to maintain its debt protection metrics at comfortable levels over the medium term.

Key rating drivers and their description

Credit strengths

Established track record and execution capability in municipal waste management – SWMSPL has an established operating track record in municipal solid waste management, with sustained execution across multiple corporations in Tamil Nadu. The company's experience in handling large, labour-intensive collection and transportation contracts enabled it to secure relatively higher value order in addition to renewal of its existing contracts and repeat orders. Moreover, presence across Chennai, Coimbatore, Tirupur and other municipalities with established relationships with government/municipal corporations, helped the company sustain operations efficiently.

Steady revenue visibility from medium-term contracts – SWMSPL's municipal contracts generally span over two to three years, which provide medium-term revenue visibility. Municipal waste collection is an essential service, limiting demand volatility during contract tenures. The company's monthly billing cycle and historical timely collections support the cash inflows. Additionally, ongoing participation in new tenders and expectations of order renewal provide medium-term revenue visibility. However, the company's revenues are exposed to on contract renewals and incremental order inflows.

Comfortable financial risk profile – SWMSPL's financial profile is characterised by a conservative capital structure including TOL/TNW of 1.2 times as on March 31, 2026, driven by relatively moderate reliance on external debt. Further, given the steady earnings, its debt protection metrics remained adequate, characterised by Total Debt/OPBDITA of 0.6 times, and interest coverage of 6.8 times in FY2026, which is projected to remain comfortable in the near term as well.

Credit challenges

Moderate scale of operations with high customer concentration risk – SWMSPL's scale of operation is moderate with revenues of around Rs. 294 crore in FY2026, which limits the benefits arising from economies of scale. Nonetheless, the company has posted steady revenue growth in the past few years, driven by new orders. However, the operations are constrained by the company's high dependence on a limited number of large municipal contracts, with a significant share of revenues concentrated in two contracts, which expose the company to contract-specific risks such as non-renewal, termination or execution challenges. Any disruption in a large contract could materially affect revenues and earnings, given the moderate overall scale. The company's ability to diversify across more municipal bodies or geographies remains a key monitorable.

Tender-based business model with exposure to competition and pricing pressure – SWMSPL's operations are tender driven, which expose the company to competition and pricing risks at the time of contract renewal or new bids. The municipal tenders are often price-sensitive, which can limit margin expansion during competitive bidding cycles. Moreover, the competition remains intense in the contract business, given the relatively lower complexity of the work involved, which may adversely impact the company's profitability. The rating is further constrained by the company's inherent exposure to sizeable contingent liabilities in the form of bank guarantees, which are primarily extended for contractual performance and security deposit requirements.

Exposure to government counterparties and susceptible to regulatory policies – The operations are further exposed to government and municipal counterparties, which can be susceptible to procedural or budgetary delays in payments. Although collections have historically been timely, any elongation in receivables may impact the cash flows. Additionally, operations are largely concentrated in Tamil Nadu, exposing the company to state-specific regulatory and policy risks. Any adverse policy changes or delays at the municipal level could affect operations and cash flows, which remain constraining factors on the overall credit profile.

Liquidity position: Adequate

The liquidity is expected to remain Adequate on account of steady cash generation from business and adequate buffer in working capital limits. The average working capital utilisation stood at around 57% of the sanctioned limit over the 12-month period ending in April 2026. While the company has unutilised working capital limits of around Rs. 4.0 crore as on April 30, 2026, the average cushion stood at Rs. 4.3 crore during the past 12 months ending in April 2026. The company also has around Rs. 2.2 crore of free cash/bank balance as of March 2026. The company is projected to generate cash accruals of Rs. 18-20 crore in FY2027 against the repayment obligations of Rs. 11.2 crore in FY2027. ICRA also notes that the company does not have any major debt-funded capital expenditure plan in the near term.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a steady increase in revenues and earnings, leading to an improvement of net worth and liquidity position while maintaining comfortable debt protection metrics on a sustained basis.

Negative factors – The ratings could be downgraded if there is a significant decline in revenues and earnings, any major stretch of working capital cycle or any large debt-funded capex, impacting the debt protection metrics or liquidity position on a sustained basis. A specific credit metric for ratings downgrade is an interest coverage of less than 2.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Srinivas Waste Management Services Private Limited (SWMSPL) was incorporated in September 2008, in Chennai. The company operates in the waste management and environmental services sector, mainly for government departments. It is engaged in collection and transportation of municipal solid waste and offers other integrated waste management services, including collection, transportation, disposal, and treatment. Its service portfolio also includes bio-mining and waste-to-energy (Bio-CNG). The company primarily operates in Tamil Nadu, with a presence across various municipal bodies, including Greater Chennai Corporation, Tirupur Corporation, Coimbatore Corporation, Karaikal Municipality, and the Madras Export Processing Zone. The company is currently owned and managed by Mr. S. Venkateshwaran and Mr. S. Sankaranarayanan.

Key financial indicators (audited)

SWMSPL (Standalone)	FY2025	FY2026*
Operating income	112.7	294.0
PAT	5.1	17.2
OPBDIT/OI	11.6%	11.2%
PAT/OI	4.6%	5.9%
Total outside liabilities/Tangible net worth (times)	1.6	1.2
Total debt/OPBDIT (times)	1.7	0.6
Interest coverage (times)	4.8	6.8

Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable
Any other information: None
Rating history for past three years

Instrument	Type	Current ratings (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Working capital limits	Long term	10.00	[ICRA]BBB-(Stable)	-	-	-	-	-	-
Term loan – Fund based	Long term	12.88	[ICRA]BBB-(Stable)	-	-	-	-	-	-
Non fund based – Bank Guarantee	Short term	6.00	[ICRA]A3	-	-	-	-	-	-
Unallocated limits	Long term	3.12	[ICRA]BBB-(Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI

15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Working capital limits	Simple
Long term – Fund based – Term loans	Simple
Short term – Non fund based – Bank Guarantee	Simple
Long term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based – Working capital limits	NA	NA	NA	10.00	[ICRA]BBB-(Stable)
NA	Term loan – Fund based	FY2026	NA	FY2028	12.88	[ICRA]BBB-(Stable)
NA	Non fund based – Bank Guarantee	NA	NA	NA	6.00	[ICRA]A3
NA	Unallocated limits	NA	NA	NA	3.12	[ICRA]BBB-(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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