Mateshwari Urban Transport Solutions Private Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	54.00 (Reduced from 95.00)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating reflects comfortable operating and financial performance of Mateshwari Urban Transport Solutions Private Limited (MUTSPL) and its group entities in FY25 (provisional) and CARE Ratings Limited's (CareEdge Ratings) expectations of steady performance in the medium term driven by healthy revenue visibility from the existing bus operations contracts with local transport authorities/municipal bodies in Ahmedabad, Jaipur, Udaipur and Mumbai, with covenants including assured minimum revenue guarantee and price escalation clauses. In FY25, the scale of operations has grew by ~25% year-on-year (y-o-y) to ₹437 crore (PY: 348 crore) supported by the group's largest contract with B.E.S.T. in Mumbai and staggered commencement of operations under a new contract with B.E.S.T. Going forward, the group's revenue is expected to continue to grow owing to full operationalisation of additional 200 buses from B.E.S.T. and expected increase in realisations due to inflation. The group's operating profit margin stood at ~25% in FY25 (provisional) and is expected to remain stable ~23-25% in the coming years. Owing to substantial scale up in operations and accruals in recent years, the group's capital structure recorded improvement in recent years with overall gearing at 1.14x in FY25 but continues to remain leveraged. Debt coverage metrics are expected to remain healthy with interest cover above 7x in the next 1-2 years.

However, with sizeable debt repayments due over the next 1-2 years, the debt service coverage ratio (DSCR) is likely to remain constrained. CareEdge Ratings understands that the group is bidding for more such contracts, which could entail additional capex towards acquisition of buses over the coming years and keep the capital structure leveraged. The rating also factors in extensive experience of promoters in the fleet operations industry. However, rating strengths are tempered by a leveraged capital structure and exposure to regulatory risks and intense competition.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving scale of operations and profitability translating into higher net worth base, while maintaining healthy working capital cycle and coverage credit metrics on a sustained basis

Negative factors

- Deteriorating revenue, profitability and/or working capital cycle, translating in pressure on liquidity and coverage metrics.
- Large debt-funded capital expenditure or build-up of receivables, resulting in weakening capital structure.
- Declining interest coverage ratio below 4x on a sustained basis.
- Reducing/withdrawing unsecured loans infused by promoters.

Analytical approach: Combined

CareEdge Ratings has adopted a combined approach to arrive at the rating for MUTSPL, combining financial risk profiles of MUTSPL, Mateshwari Bus Operations Private Limited (MBOPL) and Tak Bus Operations Private Limited (TBOPL), together referred to the Mateshwari Group, as entities operate in the same industry and have substantial managerial, operational and financial linkages. Entities combined are listed under Annexure-6

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectations that the group will maintain adequate debt coverage metrics in the medium term aided by revenue visibility from long-term contracts with key clients and extensive experience of its promoters.

Detailed description of key rating drivers:

Key strengths

Extensive experience of promoters in the fleet operations industry

The Mateshwari Group is promoted by Balwant Tak and Gopichand Tak, who have experience of over three decades in the road transportation industry. Vast experience of promoters has benefitted the group in winning large tenders from local transportation

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

authorities in Ahmedabad, Jaipur, Udaipur and Mumbai, and developing long-standing relationship with its customers, which has led to expansion of business over the years. Promoters have infused unsecured loans of ₹18.82 crore as on March 31, 2025, to support the group's operations. CareEdge Ratings expects promoters to be able and willing to extend further financial support to the group to meet operational and financial liabilities.

Substantial scale-up of operations; healthy revenue visibility from long-term contracts with minimum revenue guarantee and price escalation clauses

The group entities have entered long-term (8-10 years) agreements with customers including municipal corporations/local urban transport authorities in Mumbai, Jaipur, Ahmedabad, and Udaipur. Per agreements, services provided are tied-up with minimum assured kilometres revenue, which provides healthy revenue visibility in the medium term. The group's scale of operations has recorded y-o-y improvement to ₹437 crore in FY25 (provisional) from ₹322.78 crore in FY24 supported by staggered operationalisation of addition 200 buses with escalation in the rate per km and revenue generated from the excess kms. CareEdge Ratings expect the group's performance to continue to remain stable in the medium term aided by guaranteed revenue off-take and track record of healthy billing across cities. The group's operating margin moderated to 25% in FY25 against 28% in FY24 considering expenses incurred against buses availed on rental basis. Going forward, margin is expected to remain between 23-25% as all existing contracts have an escalation clause to factor in inflation in fuel and wages, which are expected to support the company's profit margins.

Adequate debt coverage metrics

The group continues to maintain adequate debt coverage metrics as indicated by interest cover at 6.2x and total debt to profit before interest, lease rentals, depreciation, and taxation (TD/PBLIDT) at 1.46x in FY25. Going forward, with stable scale of operations, healthy profitability and low capex requirements, the group's debt coverage metrics are projected to improve with interest cover above 6x and TD/PBLIDT below 1.5x in the next 1-2 years, supporting the overall financial risk profile. However, with sizeable debt repayments due over the next 1-2 years, DSCR is likely to remain constrained at 1.3-1.6x in FY26 and FY27. CareEdge Ratings understands that the group is bidding for more such contracts, which could entail additional capex towards acquisition of buses over the coming years and keep debt repayment obligations high.

Key weaknesses

Moderately leveraged capital structure

The group's capital structure is leveraged considering large debt-funded capex (purchase of fleet) to increase the group's fleet size pursuant to bagging new contracts in the recent years. Although, the credit metrics are improved in FY25 with overall gearing at 1.10x, the capital structure still appears moderately leveraged. CareEdge Ratings expects leverage to improve going forward considering healthy accruals to net worth, however, significant debt undertaken pertaining to new contract may deteriorate the credit metrics.

Exposure to regulatory risks

The group's operations depend on urban local transport authorities/municipal bodies, which exposes its business to regulatory risks. Changes in transportation policies at the state and/or national level could have material impact on the group's financial risk profile. With government/quasi-government bodies as its customers, the group is also exposed to risks of delays in receipt of payments from counterparties, which could impact its liquidity position. However, risk is mitigated to an extent through provision of maintenance of escrow account by counterparties. The urban intracity transport industry is highly fragmented and competitive with presence of organised/unorganised players, public and private. However, group entities provide services based on long-term agreements, which include minimum revenue guarantee and price escalation clause, mitigating competitive risks.

Liquidity: Adequate

The group's liquidity position is adequate considering growing scale of operations backed by long-term agreements, which is anticipated to generate healthy cash accruals to sufficiently cover the group's debt repayment obligations translating into satisfactory DSCR. Gross cash accruals (GCA) are expected to be in ₹100 crore against debt repayment obligation of ₹62 crore and maintenance capex of ₹15 crore in FY26. The group has unencumbered cash and bank balances of ₹25 crore as on September 15, 2025, which provide additional buffer. Net cash flow from operations stood at ₹83 crore in FY25 and is estimated to remain healthy in the medium term. The group's monthly average cash credit (CC) utilisation stood 68% for 12-months ending May 30, 2025. On a standalone basis, MUTSPL has free cash of ₹15.40 crore as on March 31, 2025. On a standalone basis, debt repayments for FY26 and FY27 are ₹46 crore and ₹38 crore, respectively.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport services	Road transport

Promoted by Tak family, the Mateshwari Group is engaged in providing intracity fleet services through tender-based agreements with government authorities (local municipal corporation). The group comprises three entities including MBOPL, MUTSPL, and TBOPL. MBOPL was incorporated in August 2013 and provides local bus services in Jaipur and Ahmedabad. MUTSPL was incorporated in July 2020 and provides intracity bus services in Udaipur and Mumbai. TBOPL was incorporated in 2014 and provide local bus services in Ahmedabad.

Brief Financials (₹ crore)- Combined	March 31, 2024 (UA)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	348.45	437.33	122.70
PBILDT	99.61	110.49	NA
PAT	37.97	42.73	NA
Overall gearing (times)	1.88	1.14	NA
Interest coverage (times)	5.97	6.20	NA

UA: Unaudited; NA: Not available; Note: these are latest available financial results

Brief Financials (₹ crore)- Standalone	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	249.69	335.31	98.97
PBILDT	77.12	86.81	29.57
PAT	29.85	34.51	NA
Overall gearing (times)	1.70	0.92	NA
Interest coverage (times)	6.69	6.92	12.23

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

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-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	20.00	CARE BBB; Stable
Fund-based - LT-Term Loan	-	-	-	11-12-2027	34.00	CARE BBB; 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	34.00	CARE BBB; Stable	-	1)CARE BBB; Stable (19-Jul-24) 2)CARE BBB; Stable (26-Jun-24)	-	-
2	Fund-based - LT-Cash Credit	LT	20.00	CARE BBB; Stable	-	1)CARE BBB; Stable (19-Jul-24)	-	-

LT: Long term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Mateshwari Bus Operations Private Limited	Full	Operational and financial linkages
2	Tak Bus Operations Private Limited	Full	Operational and financial linkages

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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