Press Release

Ubitech Private Limited

August 13, 2025

Ratings:

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	25.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	105.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Total	**130.00**	**Rupees One Hundred Thirty Crore Only**			

Details of Facilities/Instruments are in Annexure 1.
Facility wise lender details are at Annexure 2.
Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the long-term rating as IVR BBB- with Stable outlook and the short-term rating as IVR A3 for the bank loan facilities of Ubitech Private Limited.

The rating continues to draw comfort from experienced management, diversified end user industry base, reputed clientele base and comfortable financial risk profile. However, these rating strengths are partially offset by exposure to customer concentration risk, tender driven nature of business with presence in competitive industry, risk associated with volatility in the raw material, intense competition in automotive component industry and exposure to cyclicality inherent in auto industry.

For the Stable Outlook, IVR believes that the company will continue to benefit from extensive experience of the promoter in same line of business, sustenance on scale of operations and presence in both the automotive and EPC sectors.

IVR has principally relied on the audited financial results of Ubitech Private Limited up to 31 March 2024 and provisional financial results up to 31 March 2025, (i.e. review period from 1st

April 2024 to 31st March 2025), projected financials for FY2026, FY2027 and FY2028 and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with further improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity.
- Improvement in the capital structure with further improvement in debt protection metrics.

Downward Factors

- Moderation in total operating income and/or moderation in profitability leading to deterioration in gross cash accruals on a sustained basis.
- Substantial increase in its working capital requirements or large debt funded capex thus weakening its liquidity & financial profile.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced Management and Established presence in the industry:

The company is promoted by Mr. Om Prakash Pandey and Mr. Raaj Pandey, both of whom are engineers with strong expertise in both business operations and technical aspects. With nearly three decades of extensive industry experience, the promoters have developed a deep understanding of the business's complexities and have built strong relationships with customers and suppliers.

Diversified end user industry base:

UPL caters to a diversified end user industry base which includes Electrification projects on EPC mode for government bodies and Discoms and manufacturing of sheet metal components, machine parts & spares to be mainly use in automotive sector. This allows it to overcome the risk of slowdown in a particular industry and maintain revenue growth.

Reputed clientele base

The company's clientele consists of reputed names including Ashok Leyland Limited and various state discoms. Its strong customer relationships and consistent, timely project execution have led to repeat orders from existing clients.

Comfortable Financial risk profile:

The financial capital structure of the company stood comfortable as marked by overall gearing and TOL/TNW of 0.53x and 0.93x, respectively as on March 31, 2025 from 0.40x and 0.90x, respectively as on March 31, 2024. The capital structure has marginally declined from 2024 due to increase in working capital borrowings but remains comfortable below unity. Similarly, the debt coverage indicators continued to remain satisfactory as marked by interest coverage and total debt to gross cash accruals of 3.96x (PY: 4.06x) and 2.71x (PY: 3.09x) respectively in FY25. IVR believes that the financial risk profile of the company will remain at similar level backed by steady accruals and no major debt funded capex plans in the medium term.

Key Rating Weaknesses

Exposure to customer concentration risk:

The company is exposed to revenue concentration risk as its top 5 customers accounted for ~89% and ~93% of the total operating income in FY24 and FY25, respectively. However, the customer concentration risk is mitigated to some extent as the major revenue contributors of the company include Ashok Leyland and various state discoms.

Tender driven nature of business with presence in competitive industry

In its EPC segment, the company secures work orders primarily through government departments, based on a tendering process. Revenue generation depends on the company's ability to successfully win these tenders. The civil construction sector is highly competitive, often requiring aggressive bidding to secure contracts. As a result, any delays in the issuance of tenders, contractor finalizations, or unsuccessful bids may adversely impact the company's business risk profile.

Risk associated with volatility in the raw material:

The major raw material used are Cold rolled coils and hot rolled coils. The company does not have any long-term agreement for procurement of Cold rolled coils and hot rolled coils, thus exposing the company to the volatility associated with the raw material price. Further, finished product prices are also highly volatile and prone to fluctuations based on local demand supply situations and other macro-economic factors.

Intense competition in automotive component industry and exposure to cyclicality inherent in auto industry

The company is exposed to intense competition in the automotive component industry due to the presence of other automotive component manufacturers, which exerts pricing pressures and is likely to weigh on the company's operating margins. With increasing presence of domestic as well as international players in the automotive ancillary business, the competition increased over the years. Additionally, the company's business is susceptible to inherent cyclicity in the automotive industry, as it is vulnerable to economic cycles and is highly sensitive to the movement in interest rates and fuel prices.

Analytical Approach: IVR has analysed UPL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate marked by its satisfactory cash accrual of Rs. 19.23 crore as against debt repayment obligation of Rs. 1.02 crore in FY25. Further, the company is expected to earn GCA of Rs. 22.94- Rs. 33.96 crore in FY26-28 as against debt repayment obligation of Rs. 10.03 crore- Rs. 0.70 crore for the same period. The average working capital utilisation of the company is 85.25% during the past 12 months ended June 2025. Current ratio stood comfortable at 1.47x as of March 2025.

About the Company

Ubitech Private Limited was incorporated in 1983 by Mr. O P Pandey in Faridabad (Haryana). The company is a government-approved electrical-safety-authority grade contractor, and undertakes turnkey contracts for complete electrification, setting-up of substations, and providing industrial lighting and lighting solutions for buildings. The company also started a sheet-metal components manufacturing unit in 2007 at Chennai (Tamil Nadu). Then in October 2018, UPL also ventured into manufacturing of power press machines at Faridabad and in 2021, established a sheet-metal components manufacturing unit in Pune. At present, the company generates 30%-50% revenue from EPC business while rest is contributed by manufacturing segment (steel metal components, penal & spares manufacturing in Haryana, Maharashtra & Tamil Nadu).

Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	193.60	268.61
EBITDA	15.77	25.50
PAT	4.85	12.80
Total Debt	33.62	52.04
Tangible Net worth	84.65	98.32
EBITDA Margin (%)	8.15	9.49
PAT Margin (%)	2.49	4.69
Overall Gearing Ratio (x)	0.40	0.53
Interest Coverage Ratio (x)	4.06	3.96

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Brickworks Ratings vide press release dated March 11, 2025, has classify the case under Issuer Not Cooperating on account of non-submission of relevant information.

Any other information: NIL

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (May 17, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (March 20, 2023)
1.	Fund based	Long Term	25.00	IVR BBB-/Stable	IVR BBB-/Stable	-	IVR BBB-/Stable
2.	Non-Fund Based	Short Term	105.00	IVR A3	IVR A3	-	IVR A3

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	25.00	IVR BBB-/Stable
Bank Guarantee	-	-	-	105.00	IVR A3

Annexure 2: Facility wise lender details:

https://www.infomerics.com/admin/prfiles/len-ubitech-aug25.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at Complexity Level of Rated Instruments/Facilities.