



Press Release

Umiya Buildcon Limited
(erstwhile MRO-TEK Realty Limited)
March 05, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	139.00 (including proposed limit of 20.00)	IVR BB+/ Stable (IVR double B plus with Stable outlook)	-	Rating assigned	Simple
Short-term Bank Facilities	11.00	IVR A4+ (IVR A four plus)	-	Rating assigned	Simple
	150.00 (Rs. One hundred fifty 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

The ratings assigned to the bank facilities of Umiya Buildcon Limited (UBL) (erstwhile MRO-TEK Realty Limited) derives comfort from its established track record in networking business, moderately diversified revenue segment, reputed clientele base and moderate financial risk profile. These rating strengths are partially offset by modest scale of operation, exposure to volatile raw material prices and forex rate, presence in highly competitive industry and working capital intensive nature of operations.

The long-term rating outlook is Stable on the back of favourable demand outlook of the respective industry coupled with satisfactory business risk profile.

Key Rating Sensitivities:

Upward Factors

- Sustained revenue growth coupled with improvement in profitability on a sustained basis
- Growth in cash accrual and prudent working capital management
- Improvement in capital structure

Downward Factors

- Any decline in revenue and profit margin on a sustained basis
- Moderation in the capital structure
- Deterioration in debt protection metrics and Total debt/NCA



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record in networking business**

Mr. Aniruddha Bhanuprasad Mehta, Managing Director of the company, has rich professional experience of about 40 years in the power sector IT enabled services and infrastructure related industry. He is assisted by other directors and a team of experienced personnel. Long experience of the promoters in related industry has led to the established position of the company in the industry. Furthermore, the company has established track record of more than three decades in manufacturing of access and networking equipment.

- **Moderately diversified revenue segment**

UBL manufactures a range of access and networking products like routers, modems, media converters, switches, multiplexers, etc. The company has also added enterprise networks and technologies, system integration and turnkey solutions as additional business segment in order to diversify its revenue. Besides, the company is also generating lease rental revenue from commercial property. Additionally, the company is also undertaking residential projects in Bangalore and Goa. However, the same is at nascent stage presently.

- **Steady cash flow from lease rentals, supported by healthy occupancy and diversified and reputed clientele**

The company has long established relationship with reputed clients like BSNL, RailTel, Indian Railways, TCIL, Bharat Electronics Limited in telecom and Electronics Manufacturing service segment. The company is also registered as a 'Trusted Source' for Network and Telecom products. Further, the company is receiving lease rental from commercial property 'Umiya Velloctiti' which is located in Bangalore, which has an area of around 1,46,000 square feet with reputed tenant profile of HDFC Bank, Trent Ltd and AA Hospitality. UBL is supported by lease rental of Rs. 11.87 crore in 9MFY25 (refers to period April 1st, 2024 to December 31st, 2024).

- **Moderate financial risk profile**

On a consolidated basis, the financial risk profile of UBL remains moderate marked by its moderate leverage ratios and net worth. Though slightly deteriorated, debt-equity ratio of the company stood at 1.84 times and overall gearing remained moderate at 1.90 times as on March 31, 2024 (1.35 times and 1.38 times respectively as on March 31, 2023). Overall gearing ratio has deteriorated on account of increase in total debt with avilment of loan and higher utilisation of bank borrowing to fund the escalated scale of operation. Interest coverage



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ratio was satisfactory at 1.33x in FY24 (refers to period April 1st, 2023, to March 31st, 2024). Further, total indebtedness of the company, marked by TOL/TNW, was high at 2.18 times as on March 31, 2024. Infomerics expects that the financial risk profile of UBL will improve in the near term with the repayment of loan accretion of profit to reserve.

Key Rating Weaknesses

- **Modest scale of operation**

The total operating income of the company remained modest over the years and stood at ~Rs. 40 crore in FY24, despite being in business for over a long time. This limits the company's competitive positioning and pricing flexibility in comparison to large scale companies, as well as its ability to take advantage of economies of scale. Moreover, the net worth remains moderate at Rs. 61.53 crore as on March 31, 2024, which limits the ability to absorb any adverse business situation.

- **Exposure to volatile raw material prices and forex rate**

The profitability of the company remains susceptible to adverse movement in forex rates as the company imports significant portion of the raw materials and components. Further, the margins remain vulnerable to volatility in raw material prices since it has limited ability to pass on to its customers. However, profitability has improved in 9MFY25 where operating margin was at ~43% driven by better yield from various service stream.

- **Presence in highly competitive industry**

The 'access and networking' and EMS industry is intensely competitive with the presence of several organised and unorganised local players, providing similar solutions with high number of user base over the country. Due to high competition from organised players and existence of local players, the company have limited pricing and bargaining power.

- **Working capital intensive nature of operations**

The working capital cycle though improved in FY24 yet continues to remain high at 120 days (155 days in FY23 (refers to period April 1st, 2022 to March 31st, 2023)) due to long receivables position and high inventory holding period owing to the nature of the industry the company operates in. Collection period remain moderate at 71 days in FY24 on account of procedural delays for payment from government department and inventory period. However, the average utilisation of fund-based limits remained low at ~47% during the last twelve months ended January 2025 which indicates sufficient liquidity cushion.



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Analytical Approach: Consolidated

For arriving at the ratings, Infomerics has considered consolidated financial statement of Umiya Buildcon Limited (erstwhile MRO-TEK Realty Limited) which includes its wholly owned subsidiary namely MRO TEK Private Limited. This is because these companies are under control of same promoters, have business and financial linkages. The list of companies is given in Annexure 4.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Rating Methodology for Infrastructure Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of Companies](#)

Liquidity – Adequate

UBL has earned a gross cash accrual of Rs. 5.72 crore in FY24 and Rs. 9.04 crore in 9MFY25. Further the company is expected to earn a gross cash accrual in the range of ~Rs. 11 - 56 crore as against its debt repayment obligations around ~Rs. 6 - 34 crore during FY25-27. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. However, average cash credit utilisation of the company remained low at ~47% during the past 12 months ended January 2025 indicating sufficient liquidity cushion.

About the Company

Umiya Buildcon Limited (UBL) was incorporated in 1984 as MRO-TEK Limited by a group of promoters in Bangalore, Karnataka. The name of the company changed to MRO-TEK Realty Limited in May 2016 and further changed to “Umiya Buildcon Limited” with effect from February 18, 2025. Since inception, the company is engaged in manufacturing and installation of access and networking products like routers, modems, media converters, switches and multiplexers. The manufacturing facility is located in Bangalore with an installed capacity of 2,04,600 pieces per annum. The company has a pan-India presence through its network of dealers and distributors. The company included ‘Real Estate Development’ as an additional line of business with effect from May 2016. Currently, Mr. Aniruddha Bhanuprasad Mehta is



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assisted by qualified and experienced management and staff in day-to-day operations. The company is currently listed on the Bombay Stock Exchange and National Stock Exchange.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)			
	31-03-2023	31-03-2024	31-12-2023	31-12-2024
	Audited	Audited	Unaudited	Unaudited
Total Operating Income	33.35	40.00	32.77	35.97
EBITDA	3.31	11.86	13.43	15.54
PAT	-3.76	3.32	5.57	5.51
Total Debt	80.34	116.84	-	-
Tangible Net Worth	58.27	61.53	-	-
EBITDA Margin (%)	9.93	29.65	40.97	43.21
PAT Margin (%)	-10.83	7.76	17.01	14.55
Overall Gearing Ratio (x)	1.38	1.90	-	-
Interest Coverage (x)	0.47	1.33	2.19	1.86

* Classification as per Infomerics' standards.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)			
	31-03-2023	31-03-2024	31-12-2023	31-12-2024
	Audited	Audited	Unaudited	Unaudited
Total Operating Income	33.35	40.00	32.77	35.99
EBITDA	3.32	12.13	13.70	15.06
PAT	-3.75	3.60	5.85	5.12
Total Debt	80.34	116.84	-	-
Adjusted Tangible Net Worth	58.27	61.62	-	-
EBITDA Margin (%)	9.96	30.33	41.79	41.85
PAT Margin (%)	-10.80	8.42	17.84	13.51
Overall Gearing Ratio (x)	1.38	1.90	-	-
Interest Coverage (x)	0.47	1.36	2.24	1.81

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	WC-Rent Receivable	Long Term	74.00	IVR BB+/Stable	-	-	-
2.	Flexi Loan	Long Term	31.00	IVR BB+/Stable	-	-	-
3.	Term Loan	Long Term	14.00	IVR BB+/Stable	-	-	-
4.	Proposed long term loan	Long Term	20.00	IVR BB+/Stable	-	-	-
5.	Dropline Overdraft	Short Term	6.00	IVR A4+	-	-	-
6.	Bank Guarantee	Short Term	5.00	IVR A4+	-	-	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

For more information and definition of ratings please visit www.infomerics.com.

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information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
WC-Rent Receivable I	-	-	-	May 2035	37.00	IVR BB+/ Stable
WC-Rent Receivable II	-	-	-	Dec. 2035	37.00	IVR BB+/ Stable
Flexi Loan I	-	-	-	Aug. 2033	28.00	IVR BB+/ Stable
Flexi Loan II	-	-	-	Sep. 2033	3.00	IVR BB+/ Stable
Term Loan I	-	-	-	Feb. 2030	3.00	IVR BB+/ Stable
Term Loan II	-	-	-	Aug. 2039	11.00	IVR BB+/ Stable
Proposed long term loan	-	-	-	-	20.00	IVR BB+/ Stable
Dropline Overdraft	-	-	-	-	6.00	IVR A4+
Bank Guarantee	-	-	-	-	5.00	IVR A4+

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-umiyabuildcon-mar25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis:

Name of the Company	Relationship	UBL's holding as on March 31, 2024	Consolidation Approach
Umiya Buildcon Limited (erstwhile MRO-TEK Realty Limited)	-	-	Full consolidation
MRO TEK Private Limited	Subsidiary	100.00%	Full consolidation

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 www.infomerics.com.