

September 30, 2025

United Office Systems Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Cash credit	23.00	23.00	[ICRA]BBB+ (Stable); reaffirmed
Long-term – Fund-based – Term loan	45.18	45.18	[ICRA]BBB+ (Stable); reaffirmed
Short-term Non-fund based – BG/LC	6.00	6.00	[ICRA]A2; reaffirmed
Short-term – Fund-based – Post shipment facility	2.00	2.00	[ICRA]A2; reaffirmed
Long-term/Short-term – Unallocated	4.92	4.92	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Total	81.10	81.10	

*Instrument details are provided in Annexure I

Rationale

While assigning the ratings, ICRA has considered the consolidated financials of United Office Systems Private Limited (UOSPL), United Acoustic Private Limited (UAPL) and United Access Floors Private Limited (UAFPL), given the common management, strong business and financial linkages. It is collectively referred as the United Group.

The rating reaffirmation factors in the Group's reputed and diversified customer profile and healthy financial risk profile as reflected by healthy operating margins and sustained comfortable debt protection metrics. The Group reported a healthy improvement in revenues by 24% to Rs. 345.2 crore in FY2025, which are expected to improve to Rs. 360-380 crore in FY2026 with operating margins of around 20-22% (PY: 21.9%). Driven by the likely reduction in debt levels owing to scheduled repayments and absence of large debt-funded capex, along with the healthy operating profitability, the leverage, Total debt/OPBIDTA is projected to remain below 1.5 times (FY2025 – 1.53 times) in the medium term. The debt coverage metrics are likely to remain comfortable with DSCR of 2.0 – 2.5 times (PY: 3.9 times) in FY2026. The ratings factor in the reputed and diversified customer profile across India, comprising large corporates from the IT industry, data centres, flexi-space players and BFSI sector limiting the counterparty credit risk to an extent. The ratings note the extensive experience of the Group's promoters in the raised access flooring business, the operational synergies from its group concern, UAFPL, for the marketing and distribution of products.

The ratings, however, remain constrained by the Group's moderate scale of operation, despite the improvement in revenues. Ramp-up of operations of the acoustic division as well as planned new lines in the calcium sulphate panels while maintaining healthy operating profit margins remain critical from the credit perspective. The ratings are constrained by the working capital-intensive nature of the business due to the high inventory and receivables, and the vulnerability of its profit margins to raw material prices, given the fixed-price nature of its contracts. Nonetheless, the inclusion of escalation clauses for some of the high-value orders mitigates the raw material price fluctuation risk to an extent.

The Stable outlook reflects ICRA's expectations that the company will achieve healthy earnings while maintaining comfortable debt protection metrics and adequate liquidity.

Key rating drivers and their description

Credit strengths

Comfortable debt protection metrics – The Group’s revenue witnessed healthy growth of 24% to Rs. 345.2 crore in FY2025 and are expected to improve to Rs. 360-380 crore in FY2026. Further, the company is likely to achieve healthy operating margins of around 20-22% in FY2026 (PY: 21.9%). Further, the Group’s total debt stands at Rs. 115.32 crore as of March 2025 and is projected to decline to around Rs. 110 crore as of March 2026, supported by scheduled repayments and the absence of any major debt-funded capital expenditure. Consequently, the Total debt/OPBITDA ratio is likely to remain below 1.5 times (PY:1.53 times) in the medium term. The debt coverage metrics are likely to remain comfortable with DSCR of 2.0 – 2.5 times (PY: 3.9 times) in FY2026.

Established relationship with reputed clients – The Group has a reputed and diversified customer profile across India, comprising large corporates from the IT industry, data centres, flexi-space players and BFSI sector with a track record of repeat orders from most of its customers and YoY addition to its client base. UOSPL’s client base is well-diversified with the top five clients driving ~20% of the total sales in FY2025 (27% in FY2024), limiting the counterparty credit risk to an extent.

Experience of promoters in raised access flooring business; synergies from Group companies involved in civil services – The United Group is promoted by the Rajkotwala family, which has over two decades of experience in the raised access flooring industry, enabling to maintain a strong relationship with the Group’s customers and suppliers. The company has another Group concern, UAFPL, which markets, distributes and installs access flooring systems in India which provide synergy to the overall business.

Credit challenges

Moderate scale of operations – The Group operates in a niche segment of raised access flooring system. Despite the improvement in revenues, the Group’s scale of operations continues to be moderate. Ramp-up of operations of the acoustic division as well as planned new lines in the calcium sulphate panels, while maintaining healthy operating profit margins, will remain the key monitorable.

Working capital-intensive nature of operations – The company’s operations remain working-capital intensive. In FY2025, the working capital intensity as reflected by NWC/OI increased to 29% from 27% in FY2024 owing to elongated receivables and high inventory levels. Further, the NWC/OI is expected to remain high at absolute level and is likely to be in the range of 28-32% in the medium term. Nevertheless, the Group’s utilisation of its fund-based limits stood moderate at ~43% during April 2024-July 2025) translating to an average cushion of around Rs. 28.0 crore during the above period, which provides comfort to an extent.

Vulnerability of profitability to fluctuations in raw material prices – The Group’s margins are susceptible to variations in input prices such as galvanised iron sheets, special grade steel, calcium sulphate core and cement, which are volatile in nature and fluctuate in relation to international prices. The orders received by the company are generally fixed price in nature with inclusion of price escalation clauses for some of the high-value orders. Further, the procurement is usually not order-backed, exposing the operations to raw material price fluctuations. The company’s operating profit margins declined in FY2021 and FY2022 due to rising raw material costs, fixed-price contracts, and reduced revenue absorption of fixed costs. While margins have recovered thereafter with lower input costs, they remain vulnerable to future price fluctuations.

Liquidity position: Adequate

The Group’s liquidity position remains adequate with free cash and liquid balance of Rs. 14.1 crore as on March 31, 2025, along with moderate utilisation of working capital limits (average utilisation of ~43% during April 2024-July 2025) translating to an average cushion of around Rs. 28.0 crore during the above period. It has principal repayment obligation of Rs. 17.0 – 20.0 crore in FY2026, which can be serviced from its estimated cash flow from operations. The company has capex plans of Rs. 10-20 crore in FY2026, which is likely to be funded by a mix of debt and internal accruals.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a significant increase in the United Group’s revenues and earnings on a sustained basis, along with ramp-up in operations of the new capacities. An improvement in the working capital cycle and liquidity while maintaining strong capitalisation and debt coverage metrics will also support a rating upgrade.

Negative factors – Any significant deterioration in the United Group’s revenues and profitability, or a stretch in the working capital cycle (or) dividend/ large outflow that weakens the liquidity position may put pressure on the ratings. Any substantial increase in indebtedness deteriorating the capital structure and debt coverage metrics could put pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of United Office Systems Private Limited, United Acoustic Private Limited (wholly-owned subsidiary of UOSPL) and its Group concern United Access Floors Private Limited, considering the common management and strong operational as well as financial linkages.

About the company

UOSPL, a division of the United Group of Companies, was established as a private limited company on March 21, 2011. It manufactures false flooring panels and accessories used in the service-based industries, such as IT/ITeS, BPO, data centres, flexi-space, banking and financial services, among others. Raised access flooring is a platform built several inches above the structural flooring. It forms a void between the floor and the top surface of the raised access flooring system. The void stores plumbing pipes, air conditioning piping, power, electrical and data cables. It is a modular system, where panels can be easily uncovered for organisational and technical changes. The company's registered office is in Mumbai, and its manufacturing facility is at Umbergaon, Gujarat. It is an ISO 9001, 14001 and 18001-accredited company and an active member of the Indian Green Building Council (IGBC). The company is promoted by Mr. Shabbir Rajkotwala, who have an experience of over 20 years in this business.

Key financial indicators (audited)

Consolidated	FY2024	FY2025 [^]
Operating income	279.1	345.2
PAT	48.2	45.0
OPBDIT/OI	25.4%	21.9%
PAT/OI	17.3%	13.0%
Total outside liabilities/Tangible net worth (times)	0.5	0.9
Total debt/OPBDIT (times)	0.9	1.5
Interest coverage (times)	31.8	12.6

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; [^]Provisional; 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	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sept 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	23.00	[ICRA]BBB+ (Stable)	June 21, 2024	[ICRA]BBB+ (Stable)	-	-	Mar 30, 2023	[ICRA]BBB+ (Positive)
Term loans	Long term	45.18	[ICRA]BBB+ (Stable)	June 21, 2024	[ICRA]BBB+ (Stable)	-	-	Mar 30, 2023	[ICRA]BBB+ (Positive)
BG/LC	Short term	6.00	[ICRA]A2	June 21, 2024	[ICRA]A2	-	-	Mar 30, 2023	[ICRA]A2
Post shipment facility	Short term	2.00	[ICRA]A2	June 21, 2024	[ICRA]A2	-	-	Mar 30, 2023	[ICRA]A2
Unallocated	Long term/ Short term	4.92	[ICRA]BBB+ (Stable)/ [ICRA]A2	June 21, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Mar 30, 2023	[ICRA]BBB+ (Positive)/ [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Cash Credit	Simple
Short-term Non-fund based – BG/LC	Very Simple
Short-term Fund-based – Post Shipment facility	Simple
Long-term/Short-term - Unallocated	Not applicable
Long-term Fund-based – Term loans	Simple

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	-	-	-	23.00	[ICRA]BBB+ (Stable)
NA	Term loans	FY2023	8.9%-9.45%	Dec 2027/ FY2028	45.18	[ICRA]BBB+ (Stable)
NA	BG/LC	-	-	-	6.00	[ICRA]A2
NA	Post Shipment facility	-	-	-	2.00	[ICRA]A2
NA	Unallocated	-	-	-	4.92	[ICRA]BBB+ (Stable)/[ICRA]A2

Source: Company, ICRA Research

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

Annexure II: List of entities considered for consolidated analysis

Company name	UOSPL ownership	Consolidation approach
United Office Systems Private Limited	-	Full consolidation
United Access Floors Private Limited [^]	-	Full consolidation
United Acoustic Private Limited	100.0%	Full consolidation

Source: Company data; ICRA Research; [^]held by the same promoters

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