



Press Release

Worldwide Oilfield Machine Private Limited

March 17, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities*	100.00	IVR BBB-/Negative (IVR Triple B Minus with Negative Outlook)	IVR BBB-/Negative (IVR Triple B Minus with Negative Outlook)	Reaffirmed	Simple
Short Term Bank Facilities	40.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Total	140.00	(Rupees Hundred and Forty Crore Only)			

**Sublimit: Pre-shipment/Post Shipment of Cash Credit Rs.100.00 crore.*

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 its rating to the Bank facilities of Worldwide Oilfield Machine Private Limited (WOM) due to improved operating performance and reduction in long standing receivables and payables to group companies. The rating derive strength from extensive experience of promoters, increase in revenues aided by better order flow, strong relationships with reputed clientele base ensuring repeat orders and innovative patented products and new product design. However, these rating strengths remain constrained by moderate capital structure and high working capital requirement.

The outlook is negative in view of long-standing receivables and payables to group companies thereby leading to improved liquidity.

Key Rating Sensitivities:

Upward Factors

- Reduced long-standing payables to group companies
- Improved financial risk profile marked by improvement in operating cycle and TOL/TNW below 5 times.



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Downward Factors

- Elongation in the working capital cycle or huge debt funded capex.
- Decline in operating performance resulting in lower-than-expected profits.
- Higher than expected exposure to group companies.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of promoters

The promoter (Mr. Sudhir Puranik) is a technocrat and has over 4 decades of experience in the valves and pressure control products used across wide application in the Oil & Gas industry. WOM India has state of the art manufacturing facility located at Pune and is benefited with its group companies operating across globe- Worldwide Oilfield Machine Inc. USA, UK, Dubai & Singapore. The company has a long standing and established relationship with globally reputed Oil Drilling companies and its ability to meet the most stringent safety regulations and industry norms. The company has a NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited testing lab and ISO certification.

Increase in revenues aided by better order flow.

During the year FY24(refers to period from April 01, 2023, to March 31, 2024), the total operating income stood at Rs. 770.22crs. as compared to Rs. 632.20crs. an increase of ~22% on a Y-o-Y basis driven by strong demand from export markets. The companies' exports are mainly through its sister concerns across USA, UK, Dubai & Singapore which in turn sells to the end customers in the Oil & Gas drilling sector. The total exports stood at Rs. 613.74 crore (Rs. 522.83 crore in FY23) and total domestic income stood at Rs. 39.93 crore (Rs. 66.65 crore in FY23). The company has a healthy order book of ~Rs. 419 crores which is to be executed over the next 6-9 months. Company received orders from defence ministry for Mountain Foot Bridge and Bomb Shell. Company also started manufacturing of Grease required for domestic and commercial consumption.



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Strong relationships with reputed clientele base ensuring repeat orders

WOM receives majority of orders from Worldwide Oilfield Machine Inc. USA through its subsidiaries companies based in UAE, UK and Singapore, and these companies in turn sell their final products to marquee clients namely Halliburton Group, Schlumberger Group, Etude TE Production France, Aban Singapore Pte Ltd., Shell Oil Company, Maersk Drilling Deepwater AS, Helix Energy Solutions Group, Inc., Diamond Offshore Company etc. Further, the company enjoys long standing relationships with marquee global clients in the oil and gas industry ensuring repeat orders.

Key Rating Weaknesses

Moderate capital structure

The company has nil long term borrowings, and the interest & finance charges is on account of working capital facilities availed by the company. The Total Outside Liabilities / Tangible Net worth appears to be high in past years mainly on account of higher total liabilities which is on account of current liabilities (payables to WOM Inc. USA) and non-current liabilities. Therefore, the TOL/TNW though improved from previous year stood high at 7.79x in FY24 (12.94x in FY2023).

High working capital requirement

The gross current assets stood high at 287 days in FY24 as compared to 333 days in FY23 on account of high receivables from its group concerns as majority of the revenues are from group companies. Further, the company has creditors from its group companies. The company is in the process of reducing its group debtor and creditor days gradually. Improvement in working capital cycle will have a bearing on the capital structure and shall remain a key monitorable.

Analytical Approach: Standalone.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)



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[Policy on Default Recognition](#)

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

Liquidity –Adequate

The liquidity is adequate given that the company has nil long term debt repayments and current ratio stood comfortable at 1.79x. The GCA as on March 31, 2024, stood at Rs. ~47.12 crore against nil debt repayments. The GCA for the projected period remained between Rs. ~63 crore to Rs. ~ 108 crore. The average CC utilisation for the past 12 months ended December 2024 remained at 73%. The free cash flow stood as on March 31, 2024, at Rs. 41.88 crore.

About the Company

Worldwide Oilfield Machine Pvt. Ltd. was incorporated in the year 1985 and is promoted by Mr Sudhir Puranik. The company is vertically integrated and specializes in the design and manufacturing of pressure control products used in various applications including high-pressure and extreme temperature environments mainly catering to Oil & Gas sector. The products have applications namely, Drilling applications (Choke & kill manifold, standpipe manifold, cement manifold, pump saver, etc.), Well test applications (choke manifold, flow heads, surface safety valves, data headers, etc.), Pipeline Ball valves, BOP (Blowout preventer), Production application (Well head, X-mas tree, etc.) mainly into the Oil & Gas industry. WOM offers various sizes and pressure ratings up to 20K psi gate valves, BOPs, well-heads, choke and kill manifolds, subsea intervention systems, well containment cap, and variety of other products to serve the on-shore, off-shore, and subsea oil and gas industry for drilling, production and well-testing.

The manufacturing unit is having 100% EOU status (LOP no : L1/1146(85)/E.O. no. 134(85)-IL dated 31st Oct 1985. The EOU status have been renewed dated Apr 2020 & having IEC no. 3190000263.

WOM operates in state-of-the-art manufacturing centres located in 5 cities around the world – Houston (USA), Aberdeen (Scotland), Dubai (UAE), Pune (India), and Singapore (Singapore).



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	632.21	770.25
EBITDA	51.56	57.18
PAT	7.64	37.50
Total Debt	22.04	98.12
Tangible Net Worth	57.84	95.51
EBITDA Margin (%)	8.16	7.42
PAT Margin (%)	1.21	4.82
Overall Gearing Ratio on adjusted TNW (x)	-3.42	3.14
Interest Coverage (x)	78.12	15.88

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

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 FY2023-24	Date(s) & Rating(s) assigned in FY2022-23	Date(s) & Rating(s) assigned in T-3
					Date (March 18, 2024)	Date (January 03, 2023)	Date (Month XX, 20XX)
1.	Cash Credit	Long Term	100.00	IVR BBB-/Negative	IVR BBB-/Negative	IVR BBB-/Negative	-
2	Bank Guarantee/Letter of Credit	Short Term	40.00	IVR A3	IVR A3	IVR A3	-

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About Infomerics:

Infomerics Valuation and Rating Ltd formerly known as Infomerics Valuation and Ratings Private 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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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
Cash Credit*	-	-	-	-	100.00	IVR BBB- /Negative
Bank Guarantee/Letter of Credit	-	-	-	-	40.00	IVR A3

**Sublimit: Pre-shipment/Post Shipment*

Annexure 2: Facility wise lender details:

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

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

Annexure 4: List of companies considered for consolidated/Combined 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 www.infomerics.com.