

December 12, 2023

Gumpro Drilling Fluids Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loan	8.13	8.13	[ICRA]BBB+(Stable); withdrawn
Long Term – Fund Based – Working Capital Facilities	8.00	8.00	[ICRA]BBB+(Stable); withdrawn
Short Term – Fund Based – Other	2.99	2.99	[ICRA]A2; withdrawn
Short Term – Fund Based – EPC/PCFC/SLOC	17.01	17.01	[ICRA]A2; withdrawn
Short Term – Non-Fund Based – Letter of Credit – Bank Guarantee – Forward Contract - SBLC	24.50	24.50	[ICRA]A2; withdrawn
Long Term / Short Term – Unallocated	2.78	2.78	[ICRA]BBB+(Stable)/[ICRA]A2; withdrawn
Total	63.41	63.41	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Gumpro Drilling Fluids Private Limited at the request of the company and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating Methodology for Entities in the Chemical Industry
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated view of Gumpro Drilling Fluids Private Limited with its subsidiaries due to management, financial and operational linkages. As on March 31, 2023, the company had four wholly-owned subsidiaries that are enlisted in Annexure II

About the company

The company was set up in 1995 as Gumpro Chem Bombay, a proprietorship firm of Mr. Anand Gupta, and was reconstituted as a private limited company in 2008. Gumpro Drilling Fluids Private Limited (GDFPL) primarily manufactures drilling fluids (also referred to as drilling mud) used in oil drilling activity. While earlier the company provided services pertaining to mud

engineering, leasing of filtration equipment and drilling waste management etc., these activities are now being carried out under its subsidiary viz. ASAP Fluid Pvt. Ltd (AFPL).

The promoter, Mr. Anand Gupta, has been engaged in the same line of business since 1983, previously under a partnership concern of the name Gumpro Chem. However, in 1995, Gumpro Chem's business was split between Mr. Anand Gupta and his brother, who now owns and operates Gumpro Chem (Kalol). Both Gumpro Chem (Kalol) and GDFPL operate in the field of drilling fluid chemicals. However, the product profile i.e. the chemicals manufactured by each company vary and the two entities do not compete in the same product categories.

Key financial indicators (audited):

GDFPL Consolidated	FY2022	FY2023*
Operating Income (Rs. crore)	196.5	279.1
PAT (Rs. crore)	23.1	22.5
OPBDIT/OI (%)	17.0%	13.0%
PAT/OI (%)	11.7%	8.1%
Total Outside Liabilities/Tangible Net Worth (times)	0.5	0.5
Total Debt/OPBDITA (times)	1.1	1.4
Interest Coverage (times)	36.4	5.9

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore *Provisional data

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Current Rating (FY2024)					Chronology of Rating History for the past 3 years					
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding Aug 21, 2023 (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	
				Dec 12, 2023	Sep 08, 2023	Jan 17, 2023	May 31, 2022	Apr 26, 2021	-	
1	Term Loan	Long Term	8.13	8.13	[ICRA]BBB+(Stable); Withdrawn	[ICRA]BBB+(Stable)	[ICRA]BBB+(Stable)	[ICRA]BBB+(Positive)	[ICRA]BBB+(Positive)	-
2	Working capital facilities	Long Term	8.00	-	[ICRA]BBB+(Stable); Withdrawn	[ICRA]BBB+(Stable)	[ICRA]BBB+(Stable)	[ICRA]BBB+(Positive)	[ICRA]BBB+(Positive)	-
3	Others	Short Term	2.99	-	[ICRA]A2; Withdrawn	[ICRA]A2	[ICRA]A2	-	-	-
4	EPC/PCFC/ SLOC	Short Term	17.01	-	[ICRA]A2; Withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2	-
5	Letter of Credit/ Bank Guarantee/ Forward Contracts/SBLC	Short Term	24.50	-	[ICRA]A2; Withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2	-
6	Long Term/ Short Term Unallocated	Long Term / Short Term	2.78	-	[ICRA]BBB+(Stable)/ [ICRA]A2; Withdrawn	[ICRA]BBB+(Stable)/ [ICRA]A2	-	[ICRA]BBB+(Positive)/ [ICRA]A2	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund based – Term Loan	Simple
Long Term – Fund Based – Working Capital Facilities	Simple
Short Term – Fund Based – other	Simple
Short Term – Fund Based – EPC/PCFC/ SLOC	Simple
Short Term – Non-Fund Based – Letter of Credit/ Bank Guarantee/ Forward Contracts/SBLC	Very Simple
Long Term / Short Term – Unallocated	Not Applicable

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 Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term – Fund Based – Term Loan	FY19 – FY23	NA	FY24 – FY28	8.13	[ICRA]BBB+(Stable); Withdrawn
NA	Long Term – Fund Based – Working Capital Facilities	NA	NA	NA	8.00	[ICRA]BBB+(Stable); Withdrawn
NA	Short Term – Fund Based – Other	NA	NA	NA	2.99	[ICRA]A2; Withdrawn
NA	Short Term – Fund Based – EPC/PCFC/SLOC	NA	NA	NA	17.01	[ICRA]A2; Withdrawn
NA	Short Term – Non – Fund Based – Letter of Credit /Bank Guarantee /forward Contract /SBLC	NA	NA	NA	24.50	[ICRA]A2; Withdrawn
NA	Long Term / Short Term – Unallocated	NA	NA	NA	2.78	[ICRA]BBB+(Stable)/[ICRA]A2; Withdrawn

Source: Company

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

Annexure II: List of entities considered for consolidated analysis:

Company Name	GDFPL Ownership	Consolidation Approach
ASAP Fluids Private Limited	100.00%	Full Consolidation
Gumpro Drilling Fluids FZE	100.00%	Full Consolidation
Gumpro Drilling Fluids Saudi Arabia LLC	75.00%	Full Consolidation
ASAP DMCC	100.00%	Full Consolidation

ANALYST CONTACTS

Sabyasachi Majumdar

+91 124 4545304

sabyasachi@icraindia.com

Prashant Vasisht

+91 12 4454 5322

prashant.vasisht@icraindia.com

Varun Gogia

+91 124 4545 319

varun.gogia1@icraindia.com

Adarsh Sule

+91 88 1889 4310

adarsh.sule@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.