

## Pyrotech Workspace Solutions Private Limited

March 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	47.00	CARE BBB; Stable / CARE A3+	Reaffirmed
Short Term Bank Facilities	5.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

For arriving at the ratings of Pyrotech Workspace Solutions Private Limited (PWSPL), CARE Ratings Limited (CARE Ratings) has taken a combined analytical view of PWSPL and its group entity Workspace Metal Solutions Private Limited (WMSPL), together referred to as Pyrotech Group, as both the entities are commonly promoted, have presence in similar line of business and have operational linkages.

The ratings assigned to the bank facilities of Pyrotech Group continue to derive strength from its experienced promoters, reputed clientele despite moderate customer concentration, healthy profitability due to customised product profile, comfortable capital structure, strong debt coverage indicators, and adequate liquidity.

The ratings however are constrained on account of Pyrotech group's moderate scale of operations, substantial loans and advances extended to third parties from its net worth, profitability susceptible to volatile raw material prices and its presence in a highly fragmented and competitive furniture manufacturing industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Healthy growth in scale of operations with total operating income (TOI) of more than ₹350 crore on sustained basis, while maintaining healthy profitability and comfortable capital structure.

#### Negative factors

- Decline in scale of operations with TOI below ₹150 crore on sustained basis.
- Any significant increase in loans and advances extended to third parties, affecting liquidity.
- Elongation in operating cycle to more than 175 days on sustained basis

### Analytical approach: Combined

For arriving at the credit rating, CARE Ratings Limited (CARE Ratings) has combined the financial and operational risk profile of PWSPL and WMSPL, as both entities are commonly promoted, are operating in similar line of business and have operational linkages.

As on March 31, 2024, PWSPL acquired 72.14% equity stake in WMSPL and the same was subsequently increased to 99.98% in current year. Please refer annexure 6 for list of entities combined.

### Outlook: Stable

Stable outlook reflects CARE Ratings' expectation that the group shall continue to benefit from its experienced promoters, reputed clientele, and comfortable capital structure to sustain its financial risk profile over the medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced Promoters

Pyrotech group, through PWSPL, commenced wood based industrial modular furniture manufacturing in 2004. Subsequently, WMSPL was incorporated in 2011 for manufacturing of metal-based furniture products. The group is headed by Mr. Puneet Talesara, an IIT Guwahati graduate in design engineering, who looks after sales and marketing function. He is supported by Mr. Aditya Kochar who looks after designing and operation function, having experience of more than 15 years in the furniture (including metal-based furniture) and control room interior industry.

##### Reputed clientele despite moderate concentration

PWSPL supplies furniture and control room interior solutions to reputed companies such as Larsen & Toubro Limited, Tata Projects Limited, Rajcomp Info Services Limited, 3S Brothers Infra Private Limited, ISRO amongst others. WMSPL supplies metal-based furniture to PWSPL and also supplies to clients such as Reliance Jio Infocomm Ltd., Reliance Industries Limited, and Secure Meters

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

Limited among others. Despite reputed clientele, concentration of customers was high with top 5 customers contributing ~53% of total sales in FY24 for PWSPL and for WMSPL, it stood at 95% in FY24.

#### **Healthy profitability due to customised product profile**

With customized product profile as well as designing services provided to client, the group had healthy profitability with PBILDT margin of 23.01% in FY24. It however, declined from 28.45% in FY23 primarily due to increase in employee cost. Furthermore, PBILDT margin is also dependent on the nature of projects being executed in a particular year.

#### **Comfortable capital structure and strong debt coverage indicators**

With minimal reliance on debt due to healthy profitability, Pyrotech group had a comfortable capital structure with adjusted overall gearing (adjusted for loans and advances extended) of 0.06x as on March 31, 2024. The group also had strong debt coverage indicators marked by PBILDT interest coverage of 54.96x (50.95x in FY23) and total debt to GCA of 0.21x in FY24 (0.20x in FY23).

#### **Key weaknesses**

##### **Moderate scale of operation**

Pyrotech group's total operating income (TOI) remained relatively stable at Rs.191.32 crore in FY24 (Rs.185.32 crore in FY23). Further, the group reported TOI of Rs.154.32 crore in 9MFY25 and had an order book of Rs. ~160 crore as on January 31, 2025.

##### **Substantial loans and advances extended to third parties**

PWSPL has advanced interest-bearing unsecured loans and advances amounting to ₹42.55 crore as on March 31, 2024, to various third parties from its available net worth. These loans and advances are recoverable on demand. Their timely receipt and further advancement shall be a key rating monitorable.

##### **Profitability susceptible to raw material price volatility**

Pyrotech Group uses wood, MDF, particle board, metals as primary raw material for its products and site execution work. Sudden changes in wood and metal prices may adversely affect the group's profitability due to long execution cycle and absence of price escalation clause in its orders.

##### **Presence in a highly fragmented and competitive industry**

The wooden and metal-based furniture industry is dominated primarily by unorganized and small regional players, resulting in intense competition. However, the Pyrotech group has an established presence in control room interior solutions business with successful completion of more than 70 projects across industries.

#### **Liquidity: Adequate**

The liquidity of Pyrotech Group was adequate marked by healthy cash accrual generation, almost negligible debt repayment obligation, low utilization of working limits and availability of cash and bank balance (Including liquid investments) of Rs.40.75 crore as on March 31, 2024. Furthermore, Cash flow from operating activity was positive at Rs. 46.32 crore during FY24 as against Rs 13.86 crore in FY23.

However, the group had an elongated operating cycle of 145 days in FY24. This was mainly due to inventory holding period of 108 days which was largely pertaining to raw material inventory and work in progress inventory. The group gets some credit period from its suppliers ranging anywhere from 30 to 90 days. Also, the group had collection period of 94 days in FY24. PWSPL's control room interior solution projects generally take 2-6 months of time for completion. Group receives 10-15% advance payment while balance payment is on milestone/ progress basis and 5-10% of order is in the form of retention money which is released after 6 months to 1 year of order completion.

#### **Applicable criteria**

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Furniture, Home Furnishing

Incorporated in 2004, PWSPL is engaged in manufacturing industrial modular furniture and control room interior solutions. The company has completed more than 70 control room projects across various industries such as defense, telecom, power, steel, infrastructure, smart city, and railways among others. PWSPL operates from its manufacturing facility spread across 1,25,000 sq. ft in Udaipur, Rajasthan. WMSPL, group entity, was incorporated in 2011 and is engaged in manufacturing metal-based furniture products such as modular operation theatre, server racks, outdoor panels, and self-service kiosks among others.

### Combined financials:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	185.32	191.32	154.32
PBILDT	52.73	44.02	36.06
PAT	43.00	33.41	23.50
Overall gearing (times)	0.05	0.04	NA
Interest coverage (times)	50.95	54.96	54.64

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not available

### Standalone financials:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	137.17	168.71	123.91
PBILDT	41.47	38.88	28.7
PAT	29.64	31.13	19.33
Overall gearing (times)	0.01	0.02	NA
Interest coverage (times)	70.07	82.22	66.74

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not available

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST- Working Capital Limits		-	-	-	13.00	CARE BBB; Stable / CARE A3+
Fund-based/Non-fund-based- Short Term		-	-	-	5.00	CARE A3+
Non-fund-based - LT/ ST- Bank Guarantee		-	-	-	34.00	CARE BBB; Stable / CARE A3+

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	13.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (28-Feb-24)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	34.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (28-Feb-24)	-	-
3	Fund-based/Non-fund-based-Short Term	ST	5.00	CARE A3+	-	1)CARE A3+ (28-Feb-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Fund-based/non-fund-based-Short Term	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Pyrotech Workspace Solutions Private Limited	Full	Operational and financial linkages
2	Workspace Metal Solutions Private Limited	Full	Operational and financial linkages

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: +044-2850 1001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Kalpesh Ramanbhai Patel Director <b>CARE Ratings Limited</b> Phone: +079-4026 5611 E-mail: <a href="mailto:kalpesh.patel@careedge.in">kalpesh.patel@careedge.in</a></p> <p>Anuja Parikh Associate Director <b>CARE Ratings Limited</b> Phone: +079-4026 5616 E-mail: <a href="mailto:anuja.parikh@careedge.in">anuja.parikh@careedge.in</a></p> <p>Harsh Shah Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Shah.Harsh@careedge.in">Shah.Harsh@careedge.in</a></p>
---	---

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**