



Press Release

Gaytri Industrial Corporation Private Limited (GICPL)

December 04, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	8.43 (Reduced from 8.85)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Short Term Facilities	4.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Total	12.43 (Rupees Twelve Crore and Forty-Three lakh 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 reaffirmation of the ratings by Infomerics Ratings to the bank facilities of Woodfield Group factors in the long track record of operations and experienced & resourceful promoters as well as Diversified Geographical Operations with Reputed Client Base. Additionally steady growth in operating revenue and moderate profitability margins, Moderate debt protection metrics & capital structure, and ongoing initiatives such as product expansion and performance testing contributing to the overall stable outlook for growth prospects. The ratings, however, are constrained by Susceptibility of operating margin to volatility in raw material prices, along with exposure to forex fluctuation risks.

The stable outlook reflects the fact that the entity will continue to benefit from its long track record of operations and extensive experience of management.



Press Release

Key Rating Sensitivities:

Upward Factors

- Substantial and Sustained improvement in the revenue and/or EBITDA margin leading to improvement in the debt protection metrics.

Downward Factors

- Any decline in revenue profitability leading to sustained deterioration in debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of operations and experienced & resourceful promoters

The Woodfield Group was established in 2000 by Mr. Chetan Navnitlal Modi, Mr. Girish Shamji Gala, and Mr. Hemant NanjiChheda. Further, Mr. Nittul Chetan Modi joined the business in 1995. The operations are currently managed by Mr. Kartik Gala and Mr. Nittul Modi. The promoters have extensive experience of over three decades in the aforementioned line of business. The Group has well experienced second line of management comprising of Mr. Simon Hill, Mr. Frank Machni, Mr. Suhas Deshmukh and Mr. Hitesh Vakil and others having experience of more than two decades in their respective fields. Being an established & experienced Group in this business has yielded to generate good relations with customers and suppliers in domestic and global markets. The promoters have extended financial support to the Group in the form of unsecured loans since its inception as and when required.

Well diversified geographical operations with reputed client base

The Woodfield Group caters to international clients through its representative offices in many countries. Currently the Group has clients in geographic regions including but not limited to USA, UAE, Latin America, Algeria, Europe, China etc. This helps the Group to de risk its operations to any geographical & socio-economic risks pertaining to specific regions. Due to



Press Release

its long-established presence the Group has reputed clientele like Indian Oil Corporation Limited (IOCL), Petrofac Limited, Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Larsen & Toubro Limited (L&T), Samsung Engineering Company Limited, Hyundai Engineering Company, Hyundai Engineering & Construction Company Limited, Afcons Infrastructure Limited, Petrofac E & C Oman LLC among others. The group also engages with Fortune 500 entities, including prominent names such as LMT, McDermott, Saudi Aramco.

Steady growth in operating revenue and moderate profitability margins

The Group's total operating income grew by 15.38%, reaching Rs 112.27 crore in FY24 (refers to period April 01, 2023, to March 31, 2024). The group reported an EBITDA margin of 14.79% in FY24, compared to 17.56% in FY23 (refers to period April 01, 2022, to March 31, 2023). The PAT margin stood at 5.15% in FY24, down from 7.39% in FY23. The introduction of new products, including marine loading arms, marine gangways, and metering systems, has strengthened the group's capabilities. However, margins were affected by expenses related to the ERS demo development, employee relocation for sales and marketing, factory renovations, and additional costs for consultancy and architect fees.

Moderate debt protection metrics & capital structure

Woodfield Groups capital structure remained moderate as on March 31, 2024, marked by overall gearing at 1.05x as on March 31, 2024 against 0.60x as on March 31, 2023. The total indebtedness of the group as reflected by TOL/ANW moderated from 1.50x as on March 31, 2023, to 1.80x as on March 31, 2024.

Product expansion and performance testing initiatives propel for growth prospects

The introduction of new products such as marine loading arms, marine gangways, and metering systems, along with the establishment of Performance Test Reports (PTRs), has enhanced the capabilities. PTRs are essential for various applications, including LNG, CNG, petrol, and gas, and play a crucial role in bidding for upcoming tenders. Currently, the group's focus is on developing PTRs, particularly for metering systems, and are extending this effort



Press Release

to include marine loading arms and, moving forward, marine gangways as well. These products boast high sales volume, decent profitability, and slightly longer cycle times.

Key Rating Weaknesses

Susceptibility of operating margin to volatility in raw material prices

Volatility in raw material prices may exert on the pressure on the group EBITDA margins. However, Since the group's products are made-to-order, any variation in raw material prices is majorly accounted in the agreements between the company and its clients. In most cases, the company successfully passes on these cost variation to its customers.

Susceptibility to forex fluctuation risk

Woodfield Group is involved in export and import of products. This export and import-oriented nature exposes group to regulatory risk arising from changes in other countries' procurement policies and forex fluctuation risk; however, the forex exposure is almost hedged limiting the forex risk.

Analytical Approach: Consolidated

Infomerics has taken the consolidated approach by combining financial profiles of Gaytri Industrial Corporation Private Limited (GICPL) and Woodfield System International Private Limited (WSIPL) (Consolidated financials of WSIPL includes its Subsidiaries Woodfield Systems USA Inc, Woodfield Systems Europe, Woodfield Systems FZ-LLC, UAE, Woodfield Systems United & step-down subsidiary; Woodfield Systems Limited UK) The consolidation is on account of common management, legal linkages, and significant operational linkages. Gaytri Industrial Corporation Private Limited has given an unconditional and irrevocable corporate guarantee to Woodfield Systems International Private Limited. All the companies together refer to as Woodfield group.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning Rating outlook.](#)



Press Release

[Policy on Default Recognition](#)

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

[Criteria on Consolidation of companies](#)

Liquidity: Adequate (Consolidated Woodfield Group)

The group is earning comfortable levels of GCA and the same is expected to increase with increased income levels and profitability. This indicates adequate degree of liquidity of the company in meeting its obligations. Group has current ratio of 1.48x as on 31 March 2024. Additionally, the group has cash and cash equivalents of Rs 9.04 crore as on 31 March 2024. The working capital utilisation of the group remains moderate for the past 12 months period ended September 2024.

About the Company

Gaytri Industrial Corporation was initially established in the year 1979 as a partnership firm by Mr. Girish Shamji Gala, Mr. Hemant Nanji Chheda, and Mrs. Rekha Chetan Modi. The firm converted into a private limited company in November 2020. The Company is located in Thane, Maharashtra and has its manufacturing facilities located in Asangaon. GICPL is engaged in the business of manufacturing and supplying of metallic & non – metallic flexible hoses, couplings like quick release couplings, cam locks, hammer unions, expansion joints, hose reels & accessories like dry disconnect & break away couplings.

About the Group

The Woodfield Group is Thane, Maharashtra based group. The Woodfield Group (WG) consists of two companies i.e., Gaytri Industrial Corporation Private Limited (GICPL) and Woodfield Systems International Private Limited (WSIPL), (Consolidated financials of WSIPL includes its Subsidiaries Woodfield Systems USA Inc, Woodfield Systems Europe, Woodfield Systems FZ-LLC, UAE, Woodfield Systems United & step-down subsidiary; Woodfield Systems Limited UK) The companies are engaged in business of manufacturing loading and unloading arms, safety access systems and metering skid solutions.



Press Release

Financials (Consolidated): Woodfield Group

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	97.30	112.27
EBITDA	17.08	16.61
PAT	7.32	5.85
Total Debt	19.16	42.47
Tangible Net Worth	31.68	40.38
EBITDA Margin (%)	17.56	14.79
PAT Margin (%)	7.39	5.15
Overall Gearing Ratio (x)	0.60	1.05
Interest Coverage (x)	2.86	2.73

* Classification as per Infomerics' standards.

Financials (Standalone): GICPL

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	16.91	23.60
EBITDA	4.69	5.70
PAT	1.79	2.18
Total Debt	1.72	5.32
Tangible Net Worth	17.74	21.72
EBITDA Margin (%)	27.77	24.16
PAT Margin (%)	10.52	9.21
Overall Gearing Ratio (x)	0.10	0.24
Interest Coverage (x)	10.26	9.21

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: N.A.



Press Release

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	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (December 01, 2023)	Date(s) & Rating(s) assigned in 2021-22 (January 18, 2023)	Date(s) & Rating(s) assigned in 2021-22 (November 22, 2021)
1.	Term Loan (GECL)	Long Term	0.43	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BB+/ Positive
2.	Cash Credit	Long Term	8.00	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BB+/ Positive
3.	Bank Guarantee	Short Term	4.00	IVR A3	IVR A3	IVR A3	IVR A4+

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.



Press Release

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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
Term Loan (GECL)	-	-	-	2026	0.43	IVR BBB-/ Stable
Cash Credit (CC) Sub-Limit of Cash Credit (PC/PCFC) (FDB/FBE/BRD) LC	-	-	-	Revolving	8.00 (3.00) (3.50) (1.37)	IVR BBB-/ Stable
Bank Guarantee (BG)	-	-	-	Revolving	4.00	IVR A3

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-Gaytri-Industrial-dec24.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/Entity	Consolidation Approach
Woodfield Systems International Private Limited (WSIPL) (The consolidation includes WSIPL subsidiaries and step-down subsidiaries)	Full*



Press Release

**Intercompany transactions have been adjusted as per Infomerics standard.*

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.

