



Press Release

Gaytri Industrial Corporation Private Limited (GICPL)

January 18, 2023

Ratings

Facilities	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities – Working Capital Term Loan – GECL	0.47 (Reduced from 1.00)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Revised	Simple
Long Term Fund Based Bank Facilities – Working Capital Term Loan – GECL 1.0 Extension	0.51	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Assigned	Simple
Long Term Fund Based Bank Facilities – Cash Credit Sub-limit of CC (PC/PCFC/FDB/FBE/BRD)	8.00 (5.00)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Revised	Simple
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	4.00	IVR A3 (IVR A Three)	Revised	Simple
Total	12.98 (Rupees Twelve Crore and ninety-eight lakhs only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Woodfield Group factors in the Long track record of operations and experienced & resourceful promoters, Well Diversified Geographical Operations with Reputed Client Base, and Improved profitability margins.

The ratings, however, are constrained by Moderate debt protection metrics, capital structure and Volatility in revenues.



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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



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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 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.

Improved profitability margins.

The Group's total operating income of the company stood at Rs.72.80 crore in FY22. The Company has earned EBIDTA of 11.69 Crores in FY22 against Rs 7.54 Crores in FY21, With a static number in absolute value of EBITDA, the company has earned EBITDA of 27.95% in FY22 against 13.09% in FY21. With improvement in EBIDTA margin the company registered an improvement in its PAT margin to 9.67% in FY22. The company have taken various measure to make Woodfield USA profitable from 2022 onwards as against 2021. Woodfield USA will be profitable going forward as measure taken are permanent. The company had also opened subsidiary in Spain in 2021 and was profitable in 1st year. As the company is also primarily registered with oil and gas companies around the world, therefore the Oil and gas companies sales generate the majority of revenue, which has increased the demand of the product which has resulted in comfortable EBIDTA margin in FY22.

Key Rating Constraints

Moderate debt protection metrics & capital structure:

The Group has moderately leveraged capital structure in FY22 as reflected by Overall Gearing ratio of 1.44, Total Outside Liabilities to Tangible Net worth ratio of 2.04x and Total debt to EBITDA ratio of 2.82x. The firm's debt protection metrics remains moderate with ISCR ratio of 2.29x and DSCR of 2.20x in FY22. The promoters have infused unsecured loans of Rs 12 crores which is being treated as Quasi Equity. Any substantial decline in revenues or profitability can jeopardize the Group's ability to meet its debt obligations.



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Volatility in revenues:

Company reports revenues based on the completion of orders and receipt of payment post client's approval as the products are made to order. Any delay in client's approval of the product will result in delayed sales realisation which will impact the financial risk profile of the company.

Analytical Approach: Consolidated

Infomerics has taken the consolidated approach by combining financial profiles of Woodfield Systems International Private Limited (WSIPL), Woodfield Systems USA Inc, Woodfield Systems Europe and Gaytri Industrial Corporation Private Limited (GICPL). The consolidation is on account of common management, legal linkages, and significant operational linkages. Woodfield Systems USA Inc and Woodfield Systems Europe is 100% subsidiary of Woodfield Systems International Private Limited. Gaytri Industrial Corporation Private Limited has given an unconditional and irrevocable corporate guarantee to Woodfield Systems International Private Limited.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria on Consolidation of companies](#)

[Criteria of assigning Rating Outlook](#)

Liquidity: Adequate (Consolidated Woodfield Group)



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The company 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. Company has current ratio of 1.45x as on 31 March 2022 which has improved with improved profitability. Additionally, the company has cash and cash equivalents of Rs 12.51 Crore as on 30 September 2022. The working capital utilisation of the company remains low for the past 12 months period ended August 2022.

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 Nov 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 four companies i.e., Woodfield Systems International Private Limited (WSIPL), Gaytri Industrial Corporation Private Limited (GICPL), Woodfield Systems Europe and Woodfield Systems USA Inc. (WSU). South Carolina based, Woodfield System USA Inc., incorporated in May 2017 and Spain based Woodfield Systems Europe incorporated in March 2021 is a 100 percent subsidiary of WSIPL. The companies are engaged in business of manufacturing loading and unloading arms, safety access systems and metering skid solutions.

Financials Consolidated:

INR Crore



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For the year ended* / As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	95.69	72.80
EBITDA	7.54	11.69
PAT	-1.61	7.25
Total Debt	36.94	32.91
Tangible Net worth	14.21	22.92
EBIDTA Margin (%)	7.89	16.05
PAT Margin (%)	-1.67	8.96
Overall Gearing ratio (X)	2.60	1.44

**Classification as per Infomerics' standards*

Financials (Standalone): GICPL

INR in Crores

For the year ended* / As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	20.73	17.68
EBITDA	2.71	4.94
PAT	0.60	1.71
Total Debt	4.06	2.41
Tangible Net worth	11.53	14.59
EBIDTA Margin (%)	13.09	27.95
PAT Margin (%)	2.88	9.67
Overall Gearing ratio (X)	0.35	0.17

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: N.A.

Rating History for last 3 years:



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Sr. No.	Name of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (November 22, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Long Term Fund Based Bank Facilities – Working Capital Term Loan – GECL	Long Term	0.47	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)	-	-
2.	Long Term Fund Based Bank Facilities – Working Capital Term Loan – GECL 1.0 Extension	Long Term	0.51	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	-	-	-
3.	Long Term Fund Based Bank Facilities – Cash Credit	Long Term	8.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)	-	-
4.	Short Term Non-Fund Based Bank Facilities – Bank Guarantee	Short Term	4.00	IVR A3 (IVR A Three)	IVR A4+ (IVR A Four Plus)	-	-

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About Infomerics:



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Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

S. No.	Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Cr.)	Rating Assigned/ Outlook
1	Working Capital Term Loan – GECL	-	-	2024	0.47	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)
2	Working Capital Term Loan – GECL 1.0 Extension	-	-	2026	0.51	IVR BBB-/ Stable



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						(IVR Triple B Minus with Stable Outlook)
3	Cash Credit	-	-	Revolving	8.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)
4	Bank Guarantee	-	-	Revolving	4.00	IVR A3 (IVR A Three)

Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Extent of Consolidation
Woodfield Systems International Private Limited (WSIPL)	Full*
Woodfield Systems USA Inc.	Full*
Woodfield Systems Europe.	Full*
Gaytri Industrial Corporation Private Limited (GICPL).	Full*

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

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Gaytri-Industrial-jan23.pdf>

Annexure 4: Detailed explanation of covenants of the rated facilities: 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.