

## Press Release

### Gaytri Industrial Corporation Private Limited (Erstwhile Gaytri Industrial Corporation)



August 26, 2022

### Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.65	ACUITE BB+   Reaffirmed & Withdrawn	-
Bank Loan Ratings	4.00	-	ACUITE A4+   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	14.65	-	-

### Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating of '**ACUITE BB+**' (read as ACUITE double B plus) and the short term rating of '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs.14.65 crore bank facilities of Gaytri Industrial Corporation Private Limited (GICPL; Erstwhile Gaytri Industrial Corporation).

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of request received from the group and NOC received from the banker.

### About the Company

Thane based Gaytri Industrial Corporation Private Limited (GICPL) 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 Dec, 2020. The company 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. The company is having its Registered Office at Thane (W), Maharashtra and the manufacturing facility in Asangaon, Thane district.

### About the Group

The Woodfield Group (WG) consists of three companies i.e. Woodfield Systems International Private Limited (WSIPL), Gaytri Industrial Corporation Private Limited (GICPL) and Woodfield Systems USA Inc. (WSU). South Carolina based, Woodfield System USA Inc., incorporated in May 2017 is a 100 percent subsidiary of WSIPL. This company is also engaged in same business of manufacturing loading and unloading arms, safety access systems and metering skid solutions. The commercial operations has commenced from January 2018.

## Analytical Approach

Acuité has consolidated the business and financial risk profiles of WSIPL, WSU and GICPL together referred to as the 'Woodfield Group' (WG). The consolidation is in view of the common management, operational and financial linkages and cross corporate guarantees between the entities.

Extent of Consolidation: Full.

## Key Rating Drivers

### Strengths

- **Established track record of operations and well experienced promoters**

The Woodfield Group was established in 1979 by promoters, Mr. Chetan Navnitlal Modi, Mr. Girish Shamji Gala, and Mr. Hemant Nanji Chheda. Further, Mr. Nittul Chetan Modi joined business in 1995. The operations are currently managed by Mr. Kartik Gala and Mr. Nittul Modi. The promoters have experience of over three decades in the aforementioned line of business. The promoters are supported by experienced and qualified second line of management comprising of Mr. Simon Hill, Mr. Brian McNamara, Mr. Suhas Deshmukh, Mr. Hitesh Vakil and others having experience of more than two decades in their respective fields. The extensive experience of the promoters and the established presence in the industry has helped the group to generate healthy relations with various customers and suppliers in both domestic as well as global market. The group has global customer base spread across Africa, Australia, Europe & CIS, Latin America, South East Asia, UAE, USA & Canada among others. The group's consolidated operating income stood at Rs.66.34 crore in FY22(Prov.) as against Rs.73.41 crore in FY21.

Acuité believes that the group will continue to benefit from the promoter's established presence in the industry and its improving business risk profile over the medium term.

- **Well diversified geographical operations with reputed clientele**

WG caters to ~40 countries and has representative offices in Europe and Spain as well. WG has established relations with reputed clientele in various industries such as oil & gas, petrochemical, chemical and infrastructure industry across the world. It caters to globally reckoned corporates including Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Larsen & Toubro (L&T), Samsung Engineering, Hyundai Engineering, Hyundai Engineering & Construction, Afcons Infrastructure Limited, Petrofac E & C Oman LLC among others. WG has long term relations of over a decade with customers which ensure repeat orders.

Acuité expects the established position in the industry and healthy relations with both customers as well as suppliers will help the group to maintain stable credit profile in the medium term.

## Weaknesses

- **Moderate financial risk profile**

The group has a moderate financial risk profile marked by moderate network, moderate gearing and average debt protection metrics. The network stood at Rs. 36.11 Cr. as on March 31, 2022(Prov.) as against Rs. 30.02 Cr. as on March 31, 2021. The network increased due to accretion of profits to reserves. The total debt of Rs. 42.52 Cr. as on March 31, 2022(Prov.) includes long term borrowings of Rs. 3.94 Cr. , short term borrowings of Rs. 19.34 Cr.

and unsecured loans of Rs. 19.24 Cr.. The group's overall gearing stood at 1.81 times as on March 31, 2022(Prov.) as against 1.26 times as on March 31, 2021. The TOL/TNW stood at 1.43 times as on March 31, 2022(Prov.) as against 1.72 times as on March 31, 2021. The ICR stood at 2.63 times in FY22(Prov.) as against 3.81 times in FY21. The NCA/TD increased to 0.18 times in FY22(Prov.) as against 0.13 times in FY21.

Acuité expects the group's financial risk profile to remain moderate over the medium term

#### • Working capital intensive nature of operations

The group's operations are working capital intensive in nature. The GCA days stood at 218 days as on March 31, 2022(Prov.) as against 178 days as on March 31, 2021. The GCA days are primarily driven by inventory days. The inventory days stood at 143 days as on March 31, 2022(Prov.) as against 63 days as on March 31, 2021. The debtor days stood at 58 days as on March 31, 2022(Prov.) as against 85 days as on March 31, 2021. The creditor days stood at 61 days as on March 31, 2022 (Prov.) as against 67 days as on March 31, 2021.

Acuité believes that the group's ability to manage the working capital cycle will going to be a key rating sensitivity over the medium term.

### Rating Sensitivities

- Improvement in scale of operations while maintaining profitability margins
- Elongation of working capital cycle

### Material covenants

None

### Liquidity Position: Adequate

The Group has an adequate liquidity position marked by moderate cash accruals against maturing debt obligations. The group generated NCA of Rs. 7.77 Cr. in FY22(Prov.) and Rs. 4.91 Cr in FY2021 as against maturing debt obligations of Rs. 2-3 Cr for the same period. The group's GCA days stood at 218 days as on March 31, 2022(Prov.). The current ratio of the group stood at 1.60 times as on March 31, 2022(Prov.) The unencumbered cash and bank balance stood at Rs. 0.70 Cr. as on March 31, 2022(Prov.).

### Outlook: Stable

Not Applicable

### Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	66.34	73.41
PAT	Rs. Cr.	4.43	3.29
PAT Margin	(%)	6.68	4.48
Total Debt/Tangible Net Worth	Times	1.18	1.26
PBDIT/Interest	Times	2.63	2.35

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Manufacturing Sector - <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria->

**Note on complexity levels of the rated instrument**<https://www.acuite.in/view-rating-criteria-55.htm>**Rating History**

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Jun 2021	Cash Credit	Long Term	8.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.51	ACUITE BB+ (Withdrawn)
	Proposed Bank Facility	Long Term	2.65	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.88	ACUITE BB+ (Withdrawn)
	Bank Guarantee	Short Term	4.00	ACUITE A4+ (Downgraded from ACUITE A3)
20 Mar 2020	Cash Credit	Long Term	8.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	4.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	0.51	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	1.26	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.88	ACUITE BBB-   Stable (Reaffirmed)
27 Dec 2018	Cash Credit	Long Term	6.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.88	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.51	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.26	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.00	ACUITE A3 (Reaffirmed)
30 Oct 2017	Bank Guarantee	Short Term	6.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	1.86	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.75	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.04	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+   Reaffirmed & Withdrawn
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB+   Reaffirmed & Withdrawn
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.65	ACUITE BB+   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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