



Press Release

GS Auto International Ltd

July 29, 2024

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity
Long Term Bank Facilities	32.25	IVR C/INC Negative outlook (IVR Single C with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR C/INC Negative outlook (IVR Single C with Negative Outlook)/(ISSUER NOT CO-OPERATING)	Re-affirmed & Continued under ISSUER NOT COOPERATING category	Simple
Short Term Bank facilities	5.50	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING) *	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING) *	Re-affirmed & continued under ISSUER NOT COOPERATING category	Simple
Total	37.75	(Rupees Thirty Seven Crore and Seventy Five lakhs Only)			

*Issuer did not cooperate; based on best available information

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 re-affirmation of the ratings is because of lack of adequate information regarding GS Auto International Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated June 24, 2024, July 08, 2024, July 16, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.



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The rating revision is because of lack of adequate information regarding GS Auto International Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the Long/Short term ratings for the bank loan facilities of GS Auto International Limited aggregating to Rs. 37.75 crore shall be continued in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR C/Issuer Not Co-operating/Negative Outlook & A4/ Issuer Not Co-operating; Based on best available information.

Analytical Approach & Applicable Criteria

Standalone

[Rating Methodology for Manufacturing Company](#)

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

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

[Policy on Default recognition](#)

[Complexity level of rated instruments/Facilities](#)

About the company

GS Auto International Limited (GSAIL) was initially set up as a proprietorship concern by Mr. Gurmukh Singh in the year 1938. Later in 1973, the firm was reconstituted as a Private Limited Company and named "Gurmukh Singh & Sons Pvt Ltd". Subsequently in 1983, the firm was reconstituted as a Public Limited Company and named "GS Auto International Limited". The company manufactures automotive suspension and fastening components for utility vehicles, commercial vehicles, multi axle vehicles, trailers and special purpose vehicles. It has two manufacturing units located at Ludhiana and Jamshedpur.



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Financials (standalone):

For the Year Ended/As on	(Rs. crore)	
	31-03-2020	31-03-2021
	(Audited)	(Audited)
Total Operating Income	77.26	100.13
EBITDA	1.80	7.07
PAT	-3.78	-3.12
Total Debt	34.58	36.77
Tangible Net Worth	27.04	24.14
EBITDA Margin (%)	2.32	7.06
PAT Margin(%)	-4.89	-3.11
Overall Gearing Ratio (x)	1.27x	1.52x
Interest Coverage Ratio (x)	1.34x	2.22x

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork ratings continued the rating to ISSUER NOT COOPERATING category vide its press release dated on March 21, 2024 due to unavailability of information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 Dated : June 07, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated : Feb 27, 2023	Date(s) & Rating(s) assigned in 2021-22 Dated : Dec 27, 2021
1	Fund Based Limits – Cash Credit	Long Term	32.25	IVR C/INC Negative outlook (IVR Single C with Negative Outlook	IVR C/INC Negative outlook (IVR Single C with Negative Outlook)/(ISSUER	IVR B-/INC Negative outlook (IVR Single B Minus with Negative	IVR B/INC (IVR Single B)/(ISSUER NOT CO-OPERATING)



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 Dated : June 07, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated : Feb 27, 2023	Date(s) & Rating(s) assigned in 2021-22 Dated : Dec 27, 2021
				/(ISSUER NOT CO-OPERATING)	NOT CO-OPERATING)	Outlook /(ISSUER NOT CO-OPERATING)	
2.	Non-Fund Based Limits – BG/LC	Short Term	5.50	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)

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.

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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



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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 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 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

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	32.25	IVR C/INC Negative outlook (IVR Single C with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Short Term Bank Facilities – Bank Guarantee/letter of Credit	-	-	-	5.50	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-GSAuto-july24.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable Annexure

Annexure 4 : List of companies considered for consolidated/Combined analysis: Not Applicable



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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

