



Press Release

GS Auto International Limited

June 07th, 2023

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity
Long Term Bank Facilities	32.25*	IVR C/Negative/INC (IVR Single C with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR B-/Negative/INC (IVR Single B Minus Negative Outlook)/(ISSUER NOT CO-OPERATING)	Downgraded and Continued under ISSUER NOT CO-OPERATING 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 and Continued under ISSUER NOT CO-OPERATING category.	Simple
Total	37.75	(INR Thirty Seven Crores and Seventy Five Lakhs Only)			

* Includes Proposed Limit of Rs. 5.00 Crore

Ratings

Issuer did not cooperate; based on best available information

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has downgraded long-term rating to IVR B+ Issuer not Cooperating for the bank loan facilities of GS Auto International Limited. The rating downgrade due to delays and defaults in the guaranteed debt for the group entities G.S Consumer Products Private Limited (GSCPPL) and G.S Autocomp Private Limited (GSAPL)] and subsequent initiation of recovery proceedings by the lenders by issuing a notice u/s 13(4) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) being guarantor for the bank facilities of GSCPPL and GSAPL.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

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



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in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR C/Negative/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](#)

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.

Financials (standalone):

(Rs. crore)

For the Year Ended/As on	31-03-2021	31-03-2022
	(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

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: : Brickwork Ratings had continued the rating of GSAIL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated December 21, 2022.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 Date : Feb 27, 2023	Date(s) & Rating(s) assigned in 2021-22 Date : Dec 27, 2021	Date(s) & Rating(s) assigned in 2020-21 Date : Nov 19 th , 2020
1	Fund Based Limits – Cash Credit	Long Term	32.25*	IVR C/Negative/INC (IVR Single C with Negative outlook)/(ISSUER NOT CO-OPERATING)	IVR B-/Negative/INC (IVR Single B Minus Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR B/INC (IVR Single B/(ISSUER NOT CO-OPERATING))	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook)
2.	Non-Fund Based Limits – Bank Guarantee/Letter of Credit	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 (IVR A Four)

*Includes Proposed Limit of Rs. 5.00 Crore

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:



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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, 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 /Negative/INC (IVR Single C 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



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					CO- OPERATING)
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* Includes Proposed Limit of Rs. 5.00 Crore

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-GSAuto-jun23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/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