



Press Release

GS Auto International Limited

December 22, 2025

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	32.25**	IVR BB/Stable; Withdrawn (IVR Double B with Stable Outlook; Withdrawn)	IVR C- /Negative/INC* (IVR Single C Minus with Negative Outlook/ Issuer Not Cooperating)	Rating Upgraded, Outlook Revised, removed from Issuer Not Cooperating category and simultaneously Withdrawn	Simple
Short Term Bank Facilities	5.50	IVR A4; Withdrawn (IVR Single A Four; Withdrawn)	IVR A4/INC* (IVR Single A Four/Issuer Not Cooperating)	Rating Reaffirmed, removed from Issuer Not Cooperating category and simultaneously Withdrawn	Simple
Total	37.75	Rupees Thirty-Seven Crore and Seventy-Five Lakh Only			

*ISSUER NOT COOPERATING, based on best available information

**Includes Proposed Limit of Rs. 5.00 crore

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

Infomerics Valuation and Rating Limited (IVR) has upgraded the long-term rating to IVR BB/Stable (IVR Double B with Stable Outlook) and has reaffirmed the short-term rating to IVR A4 (IVR Single A Four) and simultaneously withdraws the rating assigned to the bank loan facilities of GS Auto International Limited (GSAIL) with immediate effect.

The withdrawal action has been taken at the request of GSAIL and based on the 'No Objection Certificate' and confirmation received from Punjab National Bank, which had extended the rated facilities. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.



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The upgradation of the ratings assigned to the bank facilities of GSAIL factors in the improvement in financial and operating performance of the company.

Furthermore, the rating continues to be supported by the company's strengths, including experienced leadership, an established client base, and an improving leverage and debt protection profile. However, the rating remains constrained by the company's moderate scale and thin profitability, along with its exposure to intense industry competition and volatility in raw material prices.

The 'Stable' outlook indicates that GSAIL will continue to benefit from its reputed OEM client base.

IVR has principally relied on the audited financial results of GSAIL's up to 31 March 2025 (i.e. review period from 1st April 2024 to 31st March 2025), and three years projected financials from FY2026 to FY2028, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities: Not Applicable

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strength Built on Experienced Leadership:**

GSAILs strength lies in its experienced and well-balanced leadership, combining seasoned promoters with independent directors who ensure strong governance and strategic clarity. The Ryait family's decades-long industry expertise has driven consistent growth, operational excellence, and successful expansion across manufacturing locations. Independent directors add objectivity, regulatory discipline, and transparency to board decisions. Together, this blend of vision, continuity, and oversight enables company to maintain stability, adaptability, and a strong competitive position in the automotive components industry.

- **Established Clientele:**

The company benefits from a strong and established OEM customer base, anchored by Tata Motors, its largest client, contributing a significant share of annual revenues.



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Dedicated multi-shift highlights on at the Jamshedpur facility highlight deep integration with Tata Motors' supply chain. Approved vendor status and rolling purchase orders ensure steady business visibility. In addition, relationships with other OEMs such as VECV Limited further diversify the client portfolio, reinforcing revenue stability and long-term business continuity.

- **Improving Leverage and Debt Protection Profile:**

The company's leverage and debt protection metrics strengthened during FY25, reflecting improved financial discipline. Tangible net worth increased to Rs. 15.83 crore as on March 31, 2025, supporting a better capital structure. Gearing improved to 1.78x and Total Debt/EBITDA moderated to 2.74x in FY25. Debt repayment comfort also improved, with Total Debt/GCA reducing to 4.45 years. Coverage indicators remained above unity, with ISCR improving to 2.48x and DSCR at 1.04x, indicating adequate debt servicing ability.

Key Rating Weaknesses

- **Moderate Scale and Thin Profitability Constraints:**

The company's moderate scale of operations and thin profitability remain key weaknesses. Revenue declined marginally by 3.68% to Rs. 145.16 crore in FY25 from Rs. 150.70 crore in FY24, primarily due to steel price volatility and pricing pressures. Although EBITDA improved to Rs. 10.28 crore in FY25, margins remain modest at 7.08%. PAT, while improving to Rs. 1.42 crore continues to be low in absolute terms, with PAT margins at 0.98%. Limited export scale further constrains revenue diversification despite recent expansion efforts.

- **Exposure to Intense Industry Competition:**

The company faces intense competitive pressure due to the presence of numerous domestic and international auto component manufacturers. Increasing competition from players in Southeast Asian countries, supported by advanced technology, value engineering, and cost efficiency, exerts pressure on pricing and margins. This competitive environment limits pricing power and requires continuous investment in quality, efficiency, and innovation to sustain market position.

- **Exposure to Raw Material Price Volatility:**



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The company's operations involve significant consumption of steel and arm-steel, and raw material prices are subject to market fluctuations. Changes in raw material prices are generally passed on to OEM customers from time to time, as pricing is determined by TML through its nominated raw material suppliers. However, due to agreed pricing mechanisms, there may be timing differences in cost pass-through. While such fluctuations are a normal aspect of operations, sustained volatility in commodity prices could influence margins and working capital requirements, considering the company's scale of operations.

Analytical Approach: For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed GSAIL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Policy on Issuer Not Cooperating](#)

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

[Policy on Withdrawal of Ratings](#)

Liquidity – Adequate

GSAIL has adequate liquidity as seen by GCA of Rs. 6.33 crore in FY25 as against repayment of Rs. 3.60 crore for long-term borrowings. Further, it is expected that the company will generate cash accruals in the range of Rs. 6.06 crore – Rs. 7.57 crore in FY26-28 against the repayment of Rs. 2.79 crore – Rs. 1.12 crore.

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



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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):

For the year ended*/As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	150.70	145.16
EBITDA	9.26	10.28
PAT	0.69	1.42
Total Debt	33.83	27.93
Tangible Net worth	13.59	15.83
EBITDA Margin (%)	6.15	7.08
PAT Margin (%)	0.46	0.98
Overall Gearing Ratio (x)	2.49	1.76
Interest Coverage Ratio (x)	1.95	2.48

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickworks Ratings vide press release dated June 06, 2025, has classify the case under Issuer Not Cooperating on account of non-submission of relevant information.

Any other information: NIL

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)		Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25 (July 29, 2024)	Date(s) & Rating(s) assigned in 2023-24 (June 07, 2023)	Date(s) & Rating(s) assigned in 2022-23 (February 27, 2023)
				Current Rating	Previous Rating (September 15, 2025)			
1.	Fund Based	Long Term	32.25	IVR BB/Stable/Withdrawn	IVR C-/Negative/INC*	IVR C /Negative/ INC*	IVR C /Negative/ INC*	IVR B-/Negative/ NC*
2.	Non-Fund Based	Short Term	5.50	IVR A4/Withdrawn	IVR A4/INC*	IVR A4/INC*	IVR A4/INC*	IVR A4/INC*

*Issuer not cooperating; based on best available information.



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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] 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.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	Revolving	32.25*	IVR BB/Stable; Withdrawn (IVR Double B with Stable Outlook; Withdrawn)
Bank Guarantee	-	-	-	0.50	IVR A4; Withdrawn (IVR Single A Four; Withdrawn)
Letter of Credit	-	-	-	5.00	IVR A4; Withdrawn (IVR Single A Four; Withdrawn)

*Includes Proposed Limit of Rs. 5.00 crore

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_GSAIL_dec25_10a357ecd5.pdf

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

Annexure 4: List of companies considered for consolidated analysis: 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 [Complexity Level of Rated Instruments/Facilities](#).