

November 12, 2024

## Global Aluminium Private Limited: Update on Material Event

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based cash credit	55.0	55.0	[ICRA]A (Stable); outstanding
Unallocated	8.0	8.0	[ICRA]A (Stable); outstanding
<b>Total</b>	<b>63.0</b>	<b>63.0</b>	

\*Instrument details are provided in Annexure-I

### Rationale

Fairfax India Holdings Corporation announced in October 2024 that through its wholly owned subsidiary, it has acquired ~65% stake in Global Aluminium Private Limited (GAPL), from its promoters. There has been no primary issuance/equity infusion in GAPL, as part of the transaction. Post the stake sale, the promoter's shareholding stands at ~35% in the company. Post the transaction, Fairfax holds two board positions, and the promoters hold one board position. ICRA understands that there is no change in the management of the company, with the day-to-day operations run by Mr. Anil Agarwal, who remains the managing director of the company.

Earlier in September 2024, GAPL bought back shares worth ~Rs 150 crore from one of its promoter entities, Ard-Sama Enterprises. The transaction was funded through internal accruals and available liquidity. While this will adversely impact the liquidity position and tangible net-worth of the entity in the near-term, the healthy earnings expected in FY2025 and FY2026 are likely to improve the liquidity and tangible net-worth (TNW) over the medium term. The performance in H1 FY2025 continues to remain healthy, with operating income of ~Rs 484 crore and operating margin (OPM) of 12%, compared to full year revenue of ~Rs 911 crore and OPM of 11% in FY2024. Given the expectation of a healthy financial performance with comfortable debt coverage metrics and improvement in TNW over the medium-term, the rating for GAPL remains unchanged at [ICRA]A (Stable).

Please refer to the following link for the previous detailed rationale that captures the key rating and their description, liquidity position, rating sensitivities and key financial indicators: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

GAPL, incorporated in 1997, manufactures aluminium extrusions used in architecture, electronics, electrical and automobile industries. The company's manufacturing unit is at Kallakal village in the Medak district of Telangana with an installed capacity of 50,400 MTPA (enhanced from 32,400 MTPA in FY2020). The company manufactures premium quality extrusions in different alloys using more than 15,000 dies for 8,000 different profiles. Further, the company has in-house anodising and powder

coating facilities to manufacture value-added products. The day-to-day operations of GAPL are managed by its Managing Director, Mr. Anil Agarwal.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Type	Current rating (FY2025)			Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	
			Nov 12, 2024	May 31, 2024			May 11, 2023	May 23, 2022
1 Fund-based term loan	Long term	0.00	-	-	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ (Positive)
2 Fund-based working capital	Long term	55.0	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ (Positive)
3 Unallocated	Long term	8.0	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A (Stable)	-	-	[ICRA]BBB+ (Positive)

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based working capital	Simple
Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	<b>Cash credit</b>	-	-	-	55.0	[ICRA]A(Stable)
NA	<b>Unallocated</b>	-	-	-	8.0	[ICRA]A(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis- Not applicable.**

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