

October 06, 2021

Global Autotech Limited: Issuer Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	-	-	[ICRA]BBB+ (Stable); withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the issuer rating for Global Autotech Limited (GAL), in accordance with ICRA's policy on withdrawal and suspension and at the request of the company. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on withdrawal of Credit Ratings Corporate Credit Rating Methodology Rating Methodology for Auto Component Manufacturers
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on consolidated financial statements of the rated entity. As on March 31, 2021, the company had one subsidiary, which is enlisted in Annexure-2.

About the company

GAL was incorporated on May 20, 2003, as a part of the Suri Group, promoted by Mr. Ramesh Suri and family. The company manufactures automotive components, such as high intensity aluminium die castings, machine components, HVAC components and other allied assemblies for both domestic and exports market. GAL is one of the key suppliers to OEMs such as Maruti Suzuki India Limited and Tata Motors Limited, as well as tier-I ancillaries like Subros Limited (Subros), KSPG (Pierburg GmbH's Indian subsidiary), Valeo S.A. and ZF Friedrichshafen AG (ZF TRW). The company has two operating facilities at Greater Noida (Uttar Pradesh) and one machining center at Kadi, (Gujarat). The company generates nearly 54% of its turnover from its Group company, Subros.

Global YDK Electric Private Limited (GYEPL) was incorporated on June 7, 2018 as a 74:26 JV between GAL and Yamamoto Electric Corporation, Japan (YDK, technical partner). The company has been set up for localisation of blower motors, which are used in HVAC systems and will be supplied to Subros. While the company started trading blower motors in FY2020, their commercial production started from September 2020.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Sep 30, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Oct 06, 2021			
1	Issuer Rating	Long-term	-	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer Rating	Not applicable

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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer Rating	NA	NA	NA	-	[ICRA]BBB+ (Stable); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	GAL Ownership	Consolidation Approach
Global Autotech Limited	100.00% (rated entity)	Full Consolidation
Global YDK Electric Pvt. Ltd.	74.00%	Full Consolidation

Source: Company

Note: ICRA has taken a consolidated view of the parent (GAL) and its subsidiary while assigning the ratings.

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