



## Press Release

**Globus Industries and Services Limited**

**March 08, 2022**

### **Ratings**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Ratings</b>	<b>Rating Action</b>
Long term Bank Facilities	25.20	IVR B-/INC (IVR B minus with Issuer Not Cooperating)	Downgraded and moved to ISSUER NOT CO-OPERATING category
Short Term Bank Facilities	19.80*	IVR A4 (IVR A Four with Issuer Not Cooperating)	Re-affirmed and moved to ISSUER NOT CO-OPERATING category
<b>Total</b>	<b>45.00</b>		

*\* Includes proposed limit of Rs. 1.80 crore*

Issuer did not cooperate; based on best available information

### **Detailed Rationale**

The rating revision is because of lack of adequate information regarding Globus Industries and Services 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.

The lender, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company, despite the rating revision.

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data including monthly No Default Statement to monitor its assigned rating to the bank facilities, vide multiple E-mail communications (last dated March 07, 2022) and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information. Accordingly, the long- term ratings/Short Term ratings for the bank loan facilities of Globus Industries and Services Limited aggregating to Rs. 45.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B-; Issuer Not Co-operating; Based on best available information.

### **Analytical Approach & Applicable Criteria:**

Standalone

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

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

### **About the Company**

Incorporated in 1993, Globus Industries and Services Limited is engaged in the manufacturing and trading of edible oils. The manufacturing operations include Vanaspati Oil, Refined oils and Mustard oils. The manufacturing plant is located in Village Khippanwali, Teh. Fazilka, Distt. Ferozepur, Punjab. Manufacturing operations primarily include sales of Vanaspati Oil, Refined oils and Mustard oils. The company aligns its procurement with sales orders and executes manufacturing operations on a back to back basis.

### **Financials (Standalone):**

(Rs. crore)		
For the year ended* As on	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	112.43	150.73
EBITDA	8.57	6.18
PAT	1.63	0.84
Total Debt	26.98	21.36
Tangible Net worth*	-5.75	0.82
EBITDA Margin (%)	7.62	4.10
PAT Margin (%)	1.45	0.56
Overall Gearing Ratio (x)^	-4.69	26.05

\*Unsecured loan treated as quasi equity

**Status of non-cooperation with previous CRA: Nil**



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Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21(April 06, 2021)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Working Capital Term Loan	Long Term	10.98	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
2.	Funded Interest Term Loan (FITL)	Long Term	2.01	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
3.	Guaranteed Emergency Line (GECL) Covid	Long Term	4.45	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
4.	Term Loan	Long Term	0.35	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
5.	Covid Loan	Long Term	0.56	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
6.	Cash Credit	Long Term	6.85	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)	IVR B/Stable (IVR B)	-	-	-
7.	Letter of Credit	Short Term	19.80*	IVR A4/INC (IVR A Four/ Issuer Not Cooperating)	IVR A4 (IVR A Four)	-	-	-

\*Includes proposed limit of Rs. 1.80 crore



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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](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

Name: Mr. Aakash Malhotra	Name: Mr. Om Prakash Jain
Tel: (011) 24601142	Tel: (011) 24601142
Email: <a href="mailto:aakash.malhotra@infomerics.com">aakash.malhotra@infomerics.com</a>	Email: <a href="mailto:opjain@infomerics.com">opjain@infomerics.com</a>

### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**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, suspend 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.



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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
Long Term Bank Facilities- WCTL	-	-	-	10.98	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Long Term Bank Facilities- FITL	-	-	-	2.01	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Long Term Bank Facilities- GECL	-	-	-	4.45	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Long Term Bank Facilities- Term Loan	-	-	-	0.35	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Long Term Bank Facilities- Covid Loan	-	-	-	0.56	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Long Term Bank Facilities- Covid Loan	-	-	-	6.85	IVR B-/INC (IVR B minus/ Issuer Not Cooperating)
Short Term Bank Facilities- Letter of Credit	-	-	-	19.80*	IVR A4/INC (IVR A Four/ Issuer Not Cooperating)

\*Includes proposed limit of Rs. 1.80 crore

\* Issuer did not cooperate; based on best available information

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

### Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Globus-Industries-Mar22.pdf>



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### **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](http://www.infomerics.com)

