

## Press Release

Global Offshore Services Limited

December 24, 2018

Rating Reaffirmed and Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs. 386.84 Cr.
<b>Long Term Rating</b>	ACUITE D (Reaffirmed)
<b>Long Term Rating</b>	ACUITE C (Reaffirmed and Withdrawn)
<b>Short Term Rating</b>	ACUITE A4 (Reaffirmed)

\* Refer Annexure for details

### Rating Rationale

Acuite has reaffirmed the long term rating of '**ACUITE D**' (read as **ACUITE D**), '**ACUITE C**' (read as **ACUITE C**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) to the Rs. 386.84 crore bank facilities of Global Offshore Services Limited (GOSL).

Further, Acuite has withdrawn the long-term rating of '**ACUITE C**' (read as **ACUITE C**) to the Rs. 4.98 crore bank facilities of GOSL.

GOSL (the erstwhile Garware Offshore Services Limited), incorporated in 1976, was promoted by the Late Mr. B D Garware. The Mumbai-based company, led by Mr. Aditya Ashok Garware (Chairman), is engaged in offshore services and offers shipping vessels to exploration and oil production companies. The company owns and operates six vessels and also has six vessels in its subsidiaries'. The company and its subsidiaries cater to Cairn Energy, Oil and Natural Gas Corporation (ONGC), British Gas and TOTAL to name a few.

### Analytical Approach

Acuite has considered the standalone business and financial risk profiles of GOSL to arrive at the rating.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The management possesses extensive experience in the oil and shipping industry. Mr. Aditya Garware has over two decades of experience in the aforementioned industry.

#### Weaknesses

- **Delays in debt servicing**

There has been irregularity in the repayment of principal and interest on term loans due to weak financial risk profile and liquidity.

- **Weak financial risk profile**

GOSL's net worth stood at Rs.263.19 crore as on 31 March, 2018 compared to Rs.414.81 crore in the previous year. The gearing stood at 1.41 times as on 31 March, 2018 as against 0.91 times as on 31 March, 2017. The coverage indicators are weak with negative interest coverage ratio (ICR) and debt service coverage ratio (DSCR) in FY2018.

**About the Rated Entity - Key Financials**

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	76.57	98.60	372.07
EBITDA	Rs. Cr.	12.60	32.75	107.09
PAT	Rs. Cr.	(151.62)	4.31	(11.25)
EBITDA Margin	(%)	16.46	33.21	28.78
PAT Margin	(%)	(198.01)	4.37	(3.02)
ROCE	(%)	(18.29)	3.07	9.15
Total Debt/Tangible Net Worth	Times	1.41	0.91	0.98
PBDIT/Interest	Times	(4.97)	2.35	1.73
Total Debt/PBDIT	Times	(3.47)	7.97	3.72
Gross Current Assets (Days)	Days	297	312	69

**Status of non-cooperation with previous CRA (if applicable)**

None

**Any other information**

None

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Entities in Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

**Note on complexity levels of the rated instrument**

<https://www.acuite.in/criteria-complexity-levels.htm>

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24-Oct-2017	Term Loan I	Long Term	41.50	ACUITE D (Assigned)
	Term Loan II	Long Term	39.15	ACUITE D (Assigned)
	Term Loan III	Long Term	107.68	ACUITE D (Assigned)
	Term Loan IV	Long Term	76.39	ACUITE D (Assigned)
	Term Loan V	Long Term	20.70	ACUITE D (Assigned)
	Term Loan VI	Long Term	21.34	ACUITE D (Assigned)
	Term Loan VII	Long Term	10.33	ACUITE D (Assigned)
	Term Loan VIII	Long Term	4.98	ACUITE C (Assigned)
	Cash Credit I	Long Term	24.00	ACUITE D (Assigned)
	Cash Credit II	Long Term	20.00	ACUITE C (Assigned)
	Bank Guarantee I	Short Term	10.00	ACUITE D (Assigned)

	Bank Guarantee II	Short Term	14.75	ACUITE A4 (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)

### Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan I	Not Applicable	Not Applicable	Not Applicable	41.50	ACUITE D (Reaffirmed)
Term Loan II	Not Applicable	Not Applicable	Not Applicable	39.15	ACUITE D (Reaffirmed)
Term Loan III	Not Applicable	Not Applicable	Not Applicable	107.68	ACUITE D (Reaffirmed)
Term Loan IV	Not Applicable	Not Applicable	Not Applicable	76.39	ACUITE D (Reaffirmed)
Term Loan V	Not Applicable	Not Applicable	Not Applicable	20.70	ACUITE D (Reaffirmed)
Term Loan VI	Not Applicable	Not Applicable	Not Applicable	21.34	ACUITE D (Reaffirmed)
Term Loan VII	Not Applicable	Not Applicable	Not Applicable	10.33	ACUITE D (Reaffirmed)
Term Loan VIII	Not Applicable	Not Applicable	Not Applicable	4.98	ACUITE C (Withdrawn)
Cash Credit I	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE D (Reaffirmed)
Cash Credit II	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE C (Reaffirmed)
Bank Guarantee I	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Reaffirmed)
Bank Guarantee II	Not Applicable	Not Applicable	Not Applicable	14.75	ACUITE A4 (Reaffirmed)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 (Reaffirmed)

### Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Aishwarya Phalke Analyst - Rating Operations Tel: 022 49294054 <a href="mailto:aishwarya.phalke@acuiteratings.in">aishwarya.phalke@acuiteratings.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

**About Acuité Ratings & Research:**

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