

May 15, 2025

Globe Automobiles Private Limited: Ratings moved to Issuer Non-Cooperating category; Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term –Fund-based –Cash Credit	121.95	121.95	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to 'Issuer Not Cooperating' category
Long-term –Fund-based –Term Loan	41.67	41.67	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to 'Issuer Not Cooperating' category
Long-term/Short-term – Unallocated	36.38	36.38	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING* / [ICRA]A4+; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable)/ [ICRA]A3+ and moved to 'Issuer Not Cooperating' category
Total	200.00	200.00	

[^]Instrument details are provided in Annexure-I; *Issuer did not cooperate; based on best available information

Rationale

ICRA has downgraded and moved the rating for the bank facilities of Globe Automobiles Private Limited (Globe Auto/the company) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable); ISSUER NOT COOPERATING/[ICRA]A4+; ISSUER NOT COOPERATING".

The rating downgrade is because of the lack of adequate information regarding Globe Auto's performance and, hence, the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its 'Policy in respect of non-cooperation by a rated entity' available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating does not adequately reflect the credit risk profile of the entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with Globe Auto, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity Automobile Dealers
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financials of Globe Auto.

About the company

Globe Auto has been an authorised dealer of Toyota's vehicles since 2002. The company started its operations in Karnal and Ambala (Haryana) in 2002. The company has sales, spares and service (3S) outlets in Karnal, Ambala, Panipat, Yamunanagar and Kaithal in Haryana; Ludhiana and Sangrur in Punjab; and Mohali in Chandigarh. In addition, the company has spares and service (2S) outlets in Kurukshetra, Assandh, Jind and Mohali.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	869.0	989.0
PAT	30.1	20.1
OPBDIT/OI	6.1%	4.2%
PAT/OI	3.5%	2.0%
Total outside liabilities/Tangible net worth (times)	1.5x	1.8x
Total debt/OPBDIT (times)	1.4x	3.2x
Interest coverage (times)	6.1x	4.6x

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs. crore)	May 15, 2025	-	-	Date	Rating	Date	Rating
Cash Credit	Long term	121.95	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	-	-	Feb 29, 2024	[ICRA]BBB (Stable)	Nov 01, 2022	[ICRA]BBB (Stable)
				-	-	-	-	Oct 28, 2022	[ICRA]BBB (Stable)
Term Loans	Long term	41.67	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	-	-	Feb 29, 2024	[ICRA]BBB (Stable)	Nov 01, 2022	[ICRA]BBB (Stable)
Unallocated	Long term/ Short term	36.38	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4+; ISSUER NOT COOPERATING	-	-	Feb 29, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	Nov 01, 2022	[ICRA]BBB (Stable)/ [ICRA]A3+
				-	-	-	-	Oct 28, 2022	[ICRA]BBB (Stable)/ [ICRA]A3+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term -Fund-based – Cash credit	Simple
Long term -Fund-based – Term Loans	Simple
Long term /Short term –Unallocated	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 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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	121.95	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Term loans	April 2017	NA	March 2027	41.67	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	36.38	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4+; ISSUER NOT COOPERATING

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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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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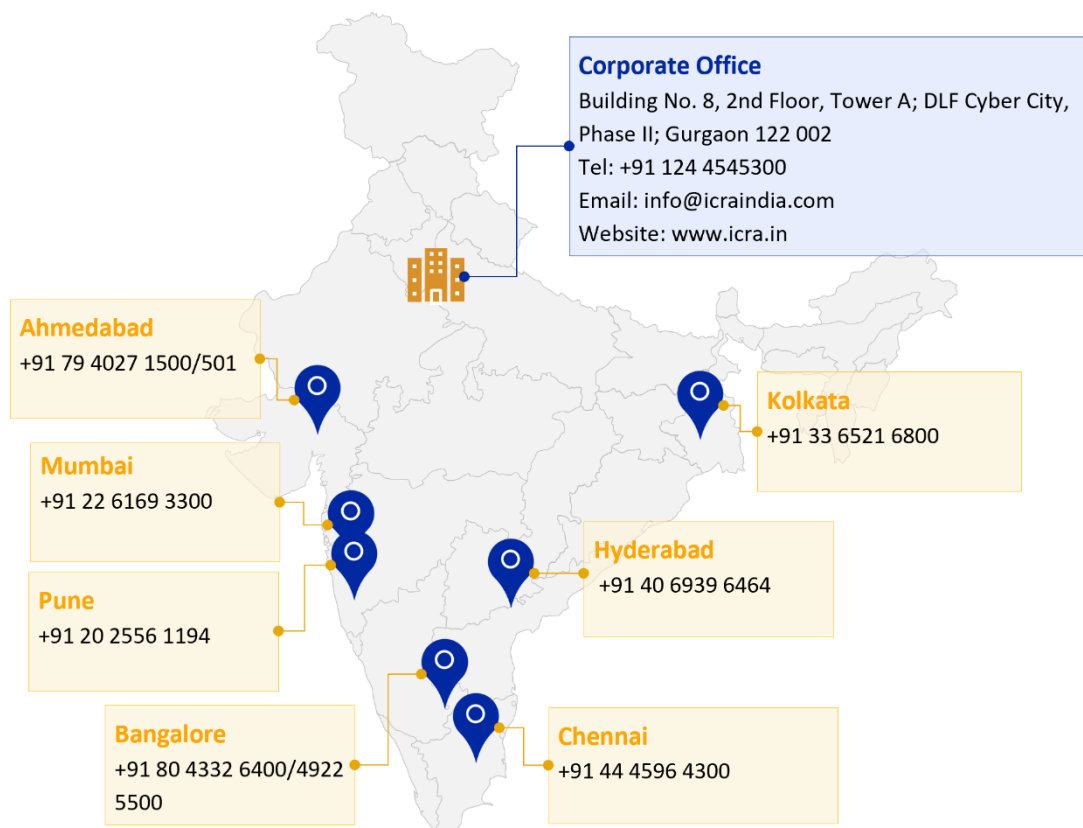
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