

Global Offshore Services Limited

December 27, 2017

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities – Term Loan	371.30	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Long term Bank Facilities – Fund Based Limits	24.00	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
LT/ST Bank Facilities – Non-Fund based Limits	15.00	CARE D/CARE D; ISSUER NOT COOPERATING* (D/D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Long term Bank Facilities Term Loan – UBI #	9.19	CARE C; ISSUER NOT COOPERATING* (C; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Long term Bank Facilities – FB Limits – UBI	20.00	CARE C; ISSUER NOT COOPERATING* (C; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
LT/ST Bank Facilities – NFB Limits- UBI	13.00	CARE C/CARE A4; ISSUER NOT COOPERATING* (C/A4 Four; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Total	452.49 (Rs. Four hundred fifty two crore and forty nine lakhs only)		

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; Based on best available information*

#UBI- United Bank of India

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Global offshore Services Private Limited to monitor the rating(s) vide e-mail communications/letters dated December 6, 2017, December 4, 2017 November 30, 2017, November 21, 2017, and November 17, 2017. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, Global offshore Services Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Global offshore services Limited will now be denoted as **CARE D/CARE D; ISSUER NOT COOPERATING* and CARE C/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

The ratings take into account no delay/default in debt servicing by the Global Offshore Services Limited (GOSL) to the bank facilities sanctioned by United Bank of India while reaffirmation of rating assigned to the other bank facilities of GOSL takes into account the on-going delay in debt servicing obligation by the company.

Detailed description of the key rating drivers

At the time of last rating on May 9, 2017 the following factors were considered:

Delays in debt servicing

The revision in the rating assigned to the bank facilities sanctioned by United Bank of India to Global Offshore Services Ltd (GOSL) considers no delay/default in debt servicing by the company while reaffirmation of rating assigned to the other bank facilities of GOSL takes into account the on-going delay in debt servicing obligation by the company. Sharp decline in E&P spending has worldwide affected players like GOSL who are into chartering of support vessels for E&P activity. Coupled with that there was re-pricing of contracts by the principal client of the company i.e. ONGC in April 2016. While majority of the vessels in its Netherlands subsidiary was un-deployed. This has affected the cash generation ability and hence liquidity of the company and the company had approached its Lenders for reschedulement of debt. The re-schedulement did not materialize and the company had defaulted in debt servicing to some of the lenders.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

About the Company

Global Offshore Services Ltd (GOSL; erstwhile Garware Offshore Services Ltd) promoted by late Mr B.D. Garware, has been engaged in the offshore services business since 1984. The company's vessels support the oil and gas exploration efforts and are employed with various E&P companies. As on June 30, 2016, the company had six vessels (two PSV's; Four ATHSV) in its books and six vessels (five PSV's and one AHTSV) in its subsidiary books with an average age of the vessels of about 6.50 years. GOSL has two wholly-owned subsidiaries: Garware Offshore International Services Pte Ltd (incorporated in Singapore) having one vessel on Bareboat Charter and Global Offshore Services B.V. (incorporated in The Netherlands) having six vessels.

During FY17, the total operating income of the company stood at Rs.99.33 crore against the loss of Rs.9.43 crore.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	160.21	99.33
PBILDT	71.41	33.30
PAT	30.01	-9.43
Overall gearing (times)	0.97	0.90
Interest coverage (times)	3.79	1.66

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr Arunava Paul

Tel: 6754 3667

Mobile: +91 9820904584

Email: arunava.paul@careratings.com:

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based-LT/ST	-	-	-	15.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	371.30	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	24.00	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term	-	-	-	9.19	CARE C; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	20.00	CARE C; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC	-	-	-	13.00	CARE C / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Non-fund-based-LT/ST	LT/ST	15.00	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE D / CARE D (09-May-17)	1)CARE D / CARE D (07-Feb-17) 2)CARE BB / CARE A4 (Under Credit Watch) (23-Aug-16) 3)CARE BBB+ / CARE A3+ (Under Credit Watch) (20-May-16)	1)CARE A / CARE A2+ (21-Dec-15)	1)CARE AA- / CARE A1+ (26-Mar-15)
2.	Fund-based - LT-Term Loan	LT	371.30	CARE D; ISSUER NOT COOPERATING*	1)CARE D (09-May-17)	1)CARE D (07-Feb-17) 2)CARE BB (Under Credit Watch) (23-Aug-16) 3)CARE BBB+ (Under Credit Watch) (20-May-16)	1)CARE A (21-Dec-15)	1)CARE AA- (26-Mar-15)
3.	Fund-based - LT-Cash Credit	LT	24.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (09-May-17)	1)CARE D (07-Feb-17) 2)CARE BB (Under Credit Watch) (23-Aug-16) 3)CARE BBB+ (Under Credit Watch) (20-May-16)	1)CARE A (21-Dec-15)	1)CARE AA- (26-Mar-15)
4.	Term Loan-Long Term	LT	9.19	CARE C; ISSUER NOT COOPERATING*	1)CARE C; Stable (09-May-17)	-	-	-
5.	Fund-based - LT-Cash Credit	LT	20.00	CARE C; ISSUER NOT COOPERATING*	1)CARE C; Stable (09-May-17)	-	-	-
6.	Non-fund-based - LT/ ST-BG/LC	LT/ST	13.00	CARE C / CARE A4; ISSUER NOT COOPERATING*	1)CARE C; Stable / CARE A4 (09-May-17)	-	-	-

*Issuer did not cooperate; Based on best available information

CONTACT**Head Office Mumbai**

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

JAIPUR

Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

BENGALURU

Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

KOLKATA

Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 851111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

NEW DELHI

Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

PUNE

Mr. Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com