Globe Enterprises (India) Limited

April 29, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 134.56 Crore (Enhanced from Rs. 110.69 crore)**	**Regulator^**
Long Term Rating	**IVR BBB-/Positive (Rating reaffirmed; Outlook revised to 'Positive' from 'Stable'**	**RBI**
Short Term Rating	**IVR A3 (Rating reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics ratings has revised its outlook from stable to positive and reaffirmed its ratings on the bank facilities of Globe Enterprises (India) Limited (hereinafter referred to as GEIL). The ratings reaffirmation factors in the improvement in scale of operations at consolidated level during fiscal 2025 with moderate profitability. Further the ratings derive strength from moderate capital structure with adequate liquidity indicators. The rating further factors in experienced promoters and qualified team of professionals reflected by long-standing association of customers and suppliers with diverse product profile having multiple applications. The ratings however remain constrained on account of leveraged debt coverage indicators, elongated operating cycle due to working capital intensive nature of operations, its exposure to volatility in key raw material prices and presence in a cyclical, fragmented and competitive textile industry.

Infomerics has withdrawn ratings assigned to GECL facility of Karur Vyasa Bank on the request from the company and No Due Certificate issued by the banker. The withdrawal is in line with the Infomerics' policy on withdrawal of ratings.

Outlook: Positive

The outlook has been revised to Positive from Stable, driven by the expectations of further improvement in the company's scale of operations and profitability, which may have positive impact on debt coverage indicators.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated
	For arriving at the rating, IVR has considered consolidated financials of Globe Enterprise (India) Limited and its wholly owned subsidiary mentioned in the Annexure 4. IVR has consolidated the financials of Globe Enterprise (India) Limited and Globe Denwash Private Limited, given the common management, involvement in the same businesses with subsidiary providing benefit of forward integration thereby enhancing strategic importance in terms of economies of scale and production cost with strong financial linkages and cash flow fungibility. The subsidiary has extended support via corporate guarantee as the properties are cross collateralised. (list of entitiy consolidated are mentioned in Annexure 4.)
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Improvement in scale of operations with moderate profitability**
  GEIL has reported a growth in operating income on standalone and consolidated levels for fiscal 2025 and during 9MFY26 as compared with relevant corresponding period. For the full fiscal year FY'25, GEIL has reported total operating income of Rs. 560.38 crore against projected topline of Rs. 467.05 crore in FY'25 mainly owing to increased sales volume. Further as per key financial numbers of FY'26, the company have reported consolidated topline of Rs. 635.50 crore with EBITDA of Rs. 34.10 crore. EBITDA margins have slightly moderated to 5.37% in FY'26 (UA) as against 5.63% in FY'25 (A).

- **Moderate capital structure albeit slight deterioration over last fiscal**
  The capital structure of GEIL on consolidated level remain moderate marked by overall gearing stood at 1.09x as on March 31, 2025, as against 1.03x as on March 31, 2024. The slight moderation is mainly due to increased utilisation of working capital limits. While the adjusted tangible net-worth improved and stood at Rs. ~136 crore as on March 31, 2025 as against Rs. ~117 crore as on March 31, 2025 on consolidated level due to accretion of profit to reserve and infusion of share capital via right issue. That said, the

capital structure is further expected to improve going forward and remain below 1.10x for the near to medium term owing to further repayments of loan term loan obligations.

- **Diversified product portfolio**

  GEIL's product portfolio consist wide range of manufacturing of Garments, Denim Fabric, fabric Voile, Yarn & other job work. In FY'25 GEIL's product portfolio is concentrated towards manufacturing of Garments & Denim Fabric. The Garment segment contributed ~46% of total revenue (earlier ~44% in FY'24) followed by Denim Fabric ~44% (earlier ~0.70% in FY'24) and Fabric voile 8.57% (earlier 51.84% in FY'24). Diverse range of products provides flexibility cushion in varying its product mix based on prevailing demand and pricing scenario. In FY25, the production of fabric voile saw a significant decline, accounting for only 8.57% of total revenue in FY'25 (FY'24: 51.84%) due to decreased demand for fabric voile and lower margin product. Going forward, the company also plans to add few more products such as Active wears, Knitted fabrics, Chinos & Cargos which is in line with current industry demands. Further, the management emphasizes in flexibility in product mix to be in line with prevailing market trends, underscoring the company's ability in responding to shifting consumer preferences.

- **Established track record of operations with a team of experienced promoters**

  Operational since 2006, GEIL is led by Mr. Bhavik Suryakant Parikh, who serves as the Chairman and Managing Director. Since his appointment as director, Mr. Parikh has been actively involved in overseeing the company's operations. With over 25 years of experience in the textile industry, he is responsible for the company's expansion and overall management. Further the company is having qualified team of professionals represents the company's association with its long-standing customer and supplier.

Weaknesses

- **Modest Debt coverage Indicators mainly on account of higher working capital requirements**

  GEIL's debt coverage indicators have remained modest marked by Total debt to EBITDA stood high at 4.69x level as on March 31, 2025 which is mainly due to higher working capital limits outstanding as on balance sheet date. Going forward the significant improvement in debt coverage indicator is dependent on extent of usage of working capital and increase in operating profitability. That said, any change in this understanding will remain key sensitive area.

- **Working capital Intensive nature of operations**

  During FY25, the company's operating cycle stood high at 130 days elongated slightly from 122 days in FY'24. This extended cycle results from higher inventory and lower payable cycle. The company stocks yarn at year-end, making profitability vulnerable to unexpected yarn price fluctuations, which may lead to inventory losses. Conversely, stable prices might result in higher carrying costs without additional benefits. The business will remain working capital intensive, leading to prolonged and capital-heavy operations.

- **Exposure to volatility in the prices of key raw material**

  The integrated fabric and garment manufacturing unit relies heavily on cotton and polyester yarn as its primary raw materials. Profitability is significantly impacted by the fluctuating prices of these yarns, which are influenced by factors such as cultivation area, monsoon conditions, international supply and demand, crude oil prices, geopolitical factors, and sector-specific developments. Recent years have experienced volatility in cotton yarn production due to unstable cotton prices and inconsistent export policies.

- **Challenges in a cyclical, fragmented and competitive textile industry**

  The textile industry is inherently cyclical, with demand closely tied to consumption trends, disposable income levels, and the overall economic outlook. It is also susceptible to fluctuations in cotton and crude oil prices, challenges in workforce mobilization, and changes in government policies affecting the sector's development. Additionally, the industry is highly competitive and fragmented, with numerous players in both organized and unorganized sectors. Companies must also comply with stringent pollution control regulations, with noncompliance potentially impacting operations negatively.

Liquidity – Adequate

The company's liquidity position on consolidated level remains adequate, with anticipated cash flow from operations of Rs. ~7 crore to Rs. ~14 crore for the projected 3 years ending FY'28 as against repayment obligation of Rs.9.67 crore to Rs ~2 crore for the relevant period on consolidated level, reflecting sufficient cover to service its debt repayments over the next three years. As of March 31, 2026, the company held unencumbered cash and bank balances of ₹0.29

crore on consolidated level. The average working capital utilization was approximately 94.45% for the 12-month period ending Jan 2026. The current ratio and quick ratio on consolidated level stood at 1.33x and 0.79x, respectively, as of March 31, 2025. Additionally, the company does not have major capital expenditure plans in the near to medium term.

Rating Sensitivities

Upward Factors

- Consistent and substantial business growth with enhanced profitability, leading to improved cash flow from operations and liquidity.
- Comfortable capital structure with improved debt coverage metrics marked by Total Debt to EBIDTA at below 3.5x and interest coverage indicator being above 2.5x.
- Ease in operating cycle impacting liquidity position of the company.

Downward Factors

- Further deterioration in debt coverage indicator mainly Total Debt/EBITDA consistently remaining at above 5x levels.
- Significant increase in working capital needs or unplanned capital expenditures worsening liquidity.
- Any debt funded capex in holding or subsidiary company impacting overall capital structure and debt protection metrics of the company

About the Company

Incorporated in 1995, Globe Enterprises (India) Limited (Erstwhile known as Globe Textiles India Limited), based in Ahmedabad, Gujarat commence operations in 2005 for manufacturing and exporting readymade garments and fabrics. The company was founded by Mr. Bhavin Parikh and Mr. Nilay Vora, who each bring over two decades of experience in the industry. GEIL offers a diverse range of products, including jeans, yarns, home textiles, printed fabrics, and denim fabrics. The company operates from 5 manufacturing units located in Ahmedabad.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2024	31-03-2025	9MFY26
	Audited	Audited	Unaudited
Total Operating Income	467.05	560.38	464.30
EBITDA	24.69	31.55	27.68
PAT	8.86	9.49	7.88
Total Debt	120.69	148.01	NA
Tangible Net Worth (TNW)	116.77	136.64	NA
EBITDA Margin (%)	5.29	5.63	5.96
PAT Margin (%)	1.89	1.69	1.70
Overall Gearing (times)	1.03	1.09	NA

Interest Coverage (times)	1.67	2.00	2.14

NA: Not available
**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Default Recognition Policy

Complexity Level of Rated Instruments / Facilities

Policy on Consolidation of Companies

Policy on Withdrawal of Ratings

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in in 2023-24
					-	March 21, 2025	Sep 18, 2024	July 19, 2023
1.	Fund Based	Long Term	118.06	IVR BBB-/Positive	-	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable
2.	Fund Based	Short Term	10.00	IVR A3	-	-	-	-
3.	Non-Fund based	Short Term	6.50	IVR A3	-	IVR A3	IVR A3	IVR A3

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	--	--	--	Sep, 2029	5.73	IVR BBB- /Positive	NA	RBI	Simple
GECL1	--	--	--	Dec, 2026	1.75	IVR BBB- /Positive	NA	RBI	Simple
GECL2	--	--	--	Aug, 2026	0.58	IVR BBB- /Positive	NA	RBI	Simple
WCTL	--	--	--	Jan, 2026	0.00 (1.66)	Withdrawn	NA	RBI	Simple
CC1	--	--	--	--	57.00	IVR BBB- /Positive	NA	RBI	Simple
CC2	--	--	--	--	23.00	IVR BBB- /Positive	NA	RBI	Simple
CC3	--	--	--	--	30.00	IVR BBB- /Positive	NA	RBI	Simple
Bill Discounting	--	--	--	--	10.00	IVR A3	NA	RBI	Simple
Letter of Credit	--	--	--	--	5.00	IVR A3	NA	RBI	Simple
Forward Cover1	--	--	--	--	0.75	IVR A3	NA	RBI	Simple
Forward Cover2	--	--	--	--	0.75	IVR A3	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details (Hyperlink to be added)

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of Company	Extent of Consolidation	Rationale for Consolidation
Globe Denwash Private Limited	Full	Wholly owned subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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