

Rating Rationale

June 05, 2025 | Mumbai

Glottis Limited

Rating upgraded to 'Crisil BBB+/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.40 Crore
Long Term Rating	Crisil BBB+/Stable (Upgraded from 'Crisil BBB/Stable')

Note: None of the Directors on Crisil Ratings Limited's 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.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its rating on the long-term bank facilities of Glottis Limited (GLTSL) to '**Crisil BBB+/Stable**' from '**Crisil BBB/Stable**'.

The upgrade reflects the improved business and financial risk profiles, which are expected to sustain over the medium term. Operating performance has sustained on the back of steady demand in industry. The company achieved revenues of Rs 940.8 Crore in fiscal 2025 as against Rs 497.18 in fiscal 2024. Accruals are expected to be in the range of Rs 43-53 Crore in the medium term which will support liquidity. The upgrade also factors in the sustained strengthening of the financial risk profile, supported by no external debt.

The rating continues to reflect the extensive experience of the partners in the freight forwarding industry and GLTSL's comfortable financial risk profile. These strengths are partially offset by exposure to intense competition and changing economic cycles.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of GLTSL.

Key Rating Drivers & Detailed Description

Strengths:

- **Extensive experience of the promoters:** The two-decade-long experience of the promoters, their healthy relationships with clients and shipping lines and the firm's wide distribution network in India and abroad should continue to support the business.
- **Comfortable Financial Profile:** The network of the company improved to Rs 96 Crore in FY25 owing to steady accretion to reserves led by improving scale and sustenance in profitability. Gearing and total outside liabilities to tangible net worth (TOLTNW) is low around 0.23 and 0.59 times as on March 31, 2025. Debt protection metrics were robust, indicated by interest coverage and net cash accrual to total debt ratios of 28 times and 2.57 time, respectively, in fiscal 2025.

Weaknesses:

- **Exposure to intense competition:** Entry barriers are low in the in the freight forwarding and logistics industry, resulting in intense competition. Large players provide end-to-end logistics solutions, while small players restrict themselves to certain segments.
- **Susceptibility to variations in economic cycles:** GLTSL's key segment, freight forwarding, is directly linked to India's global export and import (EXIM) position. Any adverse economic cycle will negatively impact the performance of freight forwarders. Volume has dropped significantly, and freight rates have fallen to their lowest levels in the past. As the country integrates itself with the rest of the world, globalisation of trade will drive growth in the EXIM market, thus benefiting the key business segments of the firm. Revenue and profitability will remain exposed to variations in economic cycles.

Liquidity: Adequate

Bank limit utilisation is moderate at around 60 percent for the past ten months ended April 2025. Cash accrual are expected to be over Rs 43 crore which are sufficient against term debt obligation of Rs 0.47-1.49 crore over the medium term. In addition, it will be act as cushion to the liquidity of the company. Current ratio are healthy at 2.62 times on March 31, 2025

Outlook: Stable

Crisil Ratings believe GLTSL will continue to benefit from the partners' extensive experience and healthy relationships with clients.

Rating sensitivity factors

Upward factors:

- Improvement in scale of operations with 50 percent growth and sustenance of margins leading to higher-than-expected cash accruals
- Sustenance of the financial risk profile

Downward factors:

- Decline in operating revenue by 20% or operating margin to less than 6% resulting in lower-than-expected accruals
- Stretched working capital cycle or any large, debt-funded capital expenditure weakening the financial risk profile and liquidity

About the Company

GLTSL is a leading multi-modal, integrated logistics service provider. The Company delivers end-to-end logistics solutions with multimodal capabilities across verticals to optimize the movement of goods including (i) Ocean freight forwarding (ii) Project cargo load for both import & export; (iii) Air freight forwarding; (iv) Road transportation; along with other ancillary services, including warehousing, storage, cargo handling, third-party logistics ("3PL") services, Customs clearance activities and others. They operate PAN-India through an established network of 8 branch offices. They have over the years also spread their operations across countries, including but not limited to, Europe, North America, South America, Africa, Middle East and Asian Countries through their arrangements with local freight forwarding agents in such countries.

Key Financial Indicators

As on / for the period ended March 31	Unit	2025*	2024
Operating income	Rs crore	940.80	497.18
Reported profit after tax	Rs crore	55.32	30.96
PAT margins	%	5.88	6.23
Adjusted Debt/Adjusted Net worth	Times	0.23	0.19
Interest coverage	Times	28.04	74.31

*Provisional

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Auto Loans	NA	NA	NA	3.44	NA	Crisil BBB+/Stable
NA	Cash Credit	NA	NA	NA	35.00	NA	Crisil BBB+/Stable
NA	Proposed Cash Credit Limit	NA	NA	NA	1.56	NA	Crisil BBB+/Stable

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

Fund Based Facilities	LT	40.0	Crisil BBB+/Stable	--	29-10-24	Crisil BBB/Stable	16-05-23	Crisil B /Stable(Issuer Not Cooperating)*	25-03-22	Crisil BB+ /Stable(Issuer Not Cooperating)*	Crisil BB+/Stable
			--	--	20-09-24	Crisil BBB/Stable		--		--	--
			--	--	12-07-24	Crisil B /Stable(Issuer Not Cooperating)*		--		--	--

All amounts are in Rs.Cr.

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

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Auto Loans	3.44	Kotak Mahindra Bank Limited	Crisil BBB+/Stable
Cash Credit	35	HDFC Bank Limited	Crisil BBB+/Stable
Proposed Cash Credit Limit	1.56	Not Applicable	Crisil BBB+/Stable

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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