

# SURVEILLANCE CREDIT RATING REPORT GLOBAL OUTERWEAR LIMITED

Ref. no.: FR/2022/026217

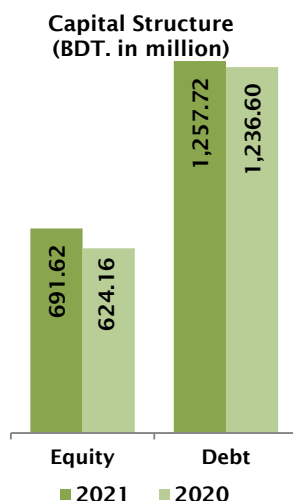


## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Management and Organization	2
Analysis of Industry Dynamics	3
Business Analysis	5
Infrastructure arrangement and other facilities	7
Financial Strength Analysis	8
Banking Relationship	9
Risk Factor Analysis	11
Rating Observation	12

## Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	3,224.0	2,834.7
COGS	3,061.2	2,679.8
Gross Profit	162.76	154.92
Profit from Operation	94.26	84.14
Financial Exp.	26.94	27.35
PAT	67.46	47.38
Total Assets	1,949.3	1,860.7
Total Debt	1,257.7	1,236.5
Total Equity	691.62	624.15
Debt/Equity (X)	1.82	1.98
ICR (X)	4.16	3.22



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	11 October 2022	14 June 2023

Tk. in Million				
Name of Bank	Mode of Investment	Limit or Disbursement	Outstanding Amount	Bank Loan Rating
Commercial Bank of Ceylon (31.08.2022)	Term Loan	530.50	201.07	blr BBB1
	Overdraft	130.00	129.62	
	Bill Discounting	30.00		
	LC/DA	15.00	209.25	blr ST-3
	BBLC	800.00		
	Guarantee	5.73	5.73	
	STL (One-Off)	50.00	16.67	
	Term Loan	26.87	7.79	blr BBB1
Dhaka Bank Limited (25.08.2022)	L/C	10.00	5.32	
	LTR	(9.00)	0.00	
	BTB LC	500.00	764.49	
	Time Loan	30.00	18.05	blr ST-3
	STL	25.00	24.61	
	OD	35.00	34.94	
	BG	5.00	0.00	
	STL (One-Off)	4.23	4.28	

**Financial Based on-** Audited financial statement up to 30 June 2021.

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'BBB1' (pronounced as Triple B One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Global Outerwear Limited** (hereinafter referred to as 'GOL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned 'blr BBB1' (pronounced as Bank Loan Rating Triple B One) rating to the long term loan outstanding and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the total short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, experienced and skilled management, financial flexibility arising from Azim Group, strong backward linkage from the group, good interest coverage position, and insurance coverage against fire, owned factory premises and good infrastructural arrangement. However, the above factors are constrained to average disclosure in the financial statement, fluctuating profitability, high levered in the capital structure, stressed liquidity position, poor profitability margin, adverse shock in RMG industry may affect revenue growth.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

WCRCL also viewed the company with "Stable" outlook and believes that **GOL** will be able to maintain its good fundamentals in the foreseeable future.