

# 10<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT ORCHID GARMENTS LIMITED

Ref. no.: FR/2023/029243



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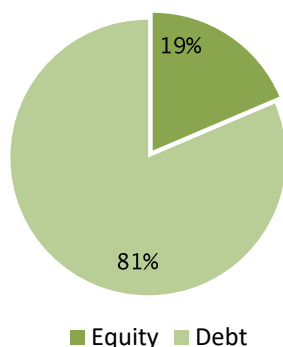
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## Key Snapshot:

*Tk. in million*

Particulars	2022	2021
Revenue	1113.4	853.26
COGS	1061.0	790.69
Gross Profit	52.37	62.55
Operating Profit	24.78	16.39
PAT	13.68	9.31
Total Assets	270.56	174.68
Total equity	50.31	38.37
Total Debt	220.25	136.30
Debt-Equity Ratio (X)	4.37	3.55
Interest Coverage Ratio (X)	4.82	5.82

## Capital Structure



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	16 January 2023	15 January 2024

*Tk. in Million*

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding as on 30.12.2022	Bank Loan Rating
Dhaka Bank Limited	TL (Stimulus)	23.19	19.47	blr ST-3
	TL (Stimulus)	13.86	12.45	
	TL (Stimulus)	13.74	13.50	
	Term Loan	3.12	158	
	BBLC		40.41	
	Accep. Liab.	250.00	105.00	
	EDF		73.46	
	ABP	4.00	0.00	
	Rev. LC		15.52	
	OD	50.00	20.00	
	STL(One off)	13.70	10.00	
	Time Loan	10.00	8.12	

*Financial Based on—Unaudited statements up to 30 June 2022, 2021, and 2020.*

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

## RATING RATIONALE

WCRCL has reaffirmed 'A3' (pronounced as Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to '**Orchid Garments Limited**' (hereinafter referred to as 'OGL' 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 reaffirmed 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to aggregate Short Term Limit.

The above ratings have been assigned based on the fundamentals of the company which include group support and Good Infrastructure, experienced management, good infrastructural arrangement, equipped with sufficient power backup, have fire insurance and give good supportive facilities to the workers. However, the above factors are constrained to lower profit due to high financial expenses, highly levered concern, moderate interest coverage position, and lack of sufficient disclosure in financial statements.

The long term rating implies that the company rated in this category is adjudged to have upper medium grade and subject to low credit risk. The short term rating implies that the company has an acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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