

INITIAL CREDIT RATING REPORT GREENLAND GARMENTS LIMITED

Ref. no.: FR/2023/32778



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB	ST 4	Stable	25 July 2023	24 July 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
NCC Bank Limited (25.07.2023)	Back to Back L/C	100.00	38.11	blr ST 4

Tk. in Million

*blr - Bank Loan Rating

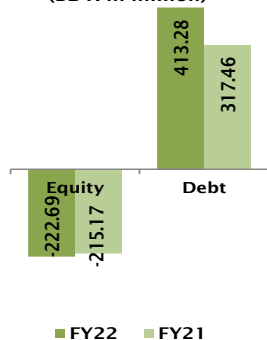
Financial Based on- Audited financial statement up to 30th June 2022.

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	48.44	21.58
EBIT	-0.39	0.84
Net Profit	-18.08	-10.93
Total Assets	190.59	102.29
Total Equity	-222.69	-215.17
Debt	413.28	317.46
Net Profit Margin (%)	-37.3	-50.6
ICR (X)	-0.02	0.07
Current Ratio	0.33	0.37
Quick Ratio	0.29	0.37
Debt/Equity Ratio	-1.16	-0.52

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has assigned 'BB' (pronounced as Double B) rating to the entity for long term and 'ST 4' (pronounced as Short Term Four) for short term to **Greenland Garments Limited** (hereinafter referred to as 'GGL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment. WCRCL has also assigned 'blr ST 4' (pronounced as bank loan rating Short Term Four) rating to aggregate short term limit.

The above ratings have been assigned based on experienced & skilled management, good business network, owned factory premises, strong buyer base, satisfactory health and safety measures, average disclosure in the financial statement. However, the above factors are constrained to some extent by negative profitability margin, highly levered in the capital structure, negative interest coverage position, moderate infrastructural arrangement, no insurance policy, vulnerability in raw- materials price in the local and international market may impact profitability.

The long term rating implies that the entity has slightly below average credit quality. The short term rating implies that the company has below average ability to meet short term financial commitments.

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

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

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