



## Press Release

### Orient Craft Fashion Park One LLP

February 24, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	59.51	IVR D (IVR D)	-	Assigned	Simple
<b>Total</b>	<b>59.51</b> <b>(Rupees fifty-nine crore and fifty-one lakh only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

The ratings assigned to the bank facilities of Orient Craft Fashion Park One LLP (OCFPO) considers frequent delays in servicing of debt obligation coupled with leveraged capital structure with high customer & asset concentration risk. The rating also notes experience of OCFPO's promoters.

#### Key Rating Sensitivities:

##### Upward Factors

- Improvement in liquidity leading to timely debt servicing track record of more than three months.
- Improvement in leverage ratios marked by improvement in overall gearing ratio to below 10x
- Reduction of dependence on a single customer

**Downward Factors:** Not Applicable

#### List of Key Rating Drivers with Detailed Description

##### Key Rating Strengths

- **Experienced promoters**

OCFPO was incorporated in February 2017 with the objective of developing sector specific Industrial Parks. Presently, the firm has rented its factory space in Ranchi, Jharkhand to its sister concern Orient Craft Fashion Industries Ltd (OCFIL) which was incorporated in 2017 in New Delhi with the objective of garment manufacturing. Both the concerns are managed by common partners/directors, Mr. Sudhir Dhingri, who has an experience of over four decades



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in garment industry and Mr. Sahil Dhingri, who has experience of over two decades in business.

### **Key Rating Weaknesses**

- **Frequent delays**

There have been recent instances of delays in servicing of term loan obligations by OCFPO as confirmed by the banker.

- **Leveraged capital structure**

The capital structure of the firm remained leveraged marked by high leverage ratios and low net worth base. The net worth of the firm is low at Rs.5.72 crore as on March 31, 2024. The overall gearing ratio and long-term debt equity ratio both remain leveraged at 13.86x as on March 31, 2024 (15.72x as on March 31, 2023). The total indebtedness marked by TOL/TNW also remain high at 18.10x as on March 31, 2024 (20.18x as on March 31, 2023).

- **High customer and asset concentration risk**

The major source of revenue in OCFPO is rental income from its sister concern, OCFIL. This indicates high customer concentration risk. Further, the firm generates cash flows from a single asset which exposes the firm to risks arising from adverse changes in operational asset profile and competition from existing and upcoming industrial parks in the region.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Real Estate Entities.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Lease Rental Discounting \(LRD\)](#)

### **Liquidity – Poor**

The Liquidity is poor as reflected in the delays in fulfilling of its debt obligations. Further, the firm's liquidity is likely to remain under pressure in near to medium term.

### **About the Firm**

Incorporated in February 2017, Orient Craft Fashion Park One LLP (OCFPO) is engaged in developing sector specific Industrial Parks. The firm has completed its first phase of construction in Ranchi and has started getting its revenue from July 2021. Presently, the firm



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has rented its factory space to its sister concern, Orient Craft Fashion Industries Ltd (OCFIL), which is engaged in garment manufacturing.

### Financials (Standalone):

For the year ended / As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	12.78	12.78
EBITDA	12.66	12.62
PAT	0.76	0.46
Total Debt	82.54	79.24
Tangible Net worth	5.25	5.72
EBITDA Margin (%)	99.09	98.77
PAT Margin (%)	5.94	3.63
Overall Gearing Ratio (x)	15.72	13.86
Interest Coverage (x)	1.66	1.61

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan-Lease Rental Discounting	Long Term	59.51	IVR D			

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Formerly Infomerics Valuation and Rating Pvt Ltd) (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External



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Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### 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
Term Loan - Lease Rental Discounting	-	-	-	Nov'33	59.51	IVR D

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-orientcraft-feb25.pdf>

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

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable



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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

