

## ZON RON SWEATERS LTD.

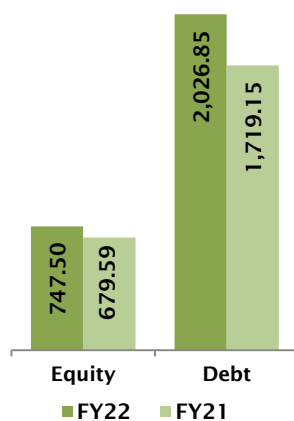
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## Key Snapshot:

Tk. in million		
Particulars	FY21	FY22
Revenue	1,846.2	1,613.3
EBIT	197.43	151.37
Net Profit	67.91	54.26
Total Assets	2,774.3	2,398.7
Total Equity	747.50	679.59
Debt	2,026.8	1,719.1
Net Profit Margin (%)	3.7%	3.4%
CCC (Days)	246	194
ICR (X)	1.64	1.69

Capital Structure  
(BDT. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Rating Declaration	Date of Expiration
	A3	ST-3	Stable	28 March 2023	20 December 2023

Tk. In million				
Name of Bank	Mode	Limit Amount	Outstanding	Bank Loan Rating
Midland Bank Ltd. 28.03.2023	Term Loan	569.90	473.10	blr A3
	BTB LC	450.00	313.20	
	EDF (Inner Of BTB LC)	(250.00)	134.80	
	Over Draft	40.00	38.30	
	Time Limite	15.00	14.90	blr ST-3
	FBDP	60.00	-	
Shahjalal Islami Bank Ltd. 28.02.2023	Time Loan (Inner of FBDP)	(30.00)	11.10	
	HPSM (equipment)	400.62	369.00	blr A3
	BTB LC (ABP/EDF) (R)	500.00	280.75	
	Bai-Salam (Rev.)	90.00	29.56	
	Bai Salam TR	100.00	94.62	
	FDBP (Revolving)	90.00	0.11	blr ST-3
	BG 01	0.11	0.11	
	BG 02	0.12	0.12	
	BG 03	1.54	1.54	

**Financial Based on-** Audited financial statements from FY13 to FY22 duly audited by auditors.

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

## RATING RATIONALE

WCRCL has reaffirmed 'A3' (pronounced single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to 'Zon Ron Sweaters Ltd. (hereinafter referred to as 'ZRSLS') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also upgraded 'blr A3' (pronounced as bank loan rating Single A Three) to aggregate long term loan outstanding and 'blr ST-3' (pronounced as bank loan rating Short Term Three) rating to aggregate short term loan limit.

The above ratings have been assigned based on good revenue earning trend, experienced and skilled management, strong buyer base, equipped with sufficient power backup, own factory land and building, have fire insurance, well compliance factory, supportive facilities to the workers and good collateral security arrangement. However, the above factors are constrained to some extent by liquidity pressure, marginal current and quick ratio and high level of gearing.

The long term rating implies that the company is subject to upper medium credit risk. It is considered 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



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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 ZRSL will be able to maintain its good fundamentals in the foreseeable future.