

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT ZAMAN MANUFACTURING CO. LTD.

Ref. no.: FR/2023/031456



## Report Contents:

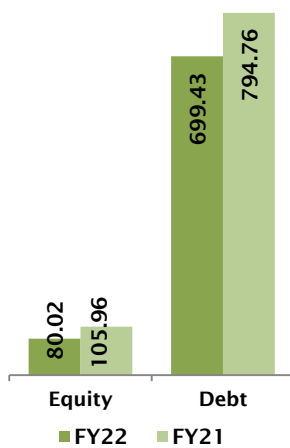
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## Key Snapshot:

Tk. in million

Particulars	FY2022	FY2021
Revenue	112.00	300.12
EBIT	19.83	57.48
Net Profit	-25.94	22.00
Total Assets	779.45	900.72
Total Equity	80.02	105.96
Debt	699.43	794.76
Net Profit Margin (%)	-23.2%	7.3%
CCC (Days)	1,556	631
ICR (X)	0.45	1.41

**Capital Structure  
(BDT. in million)**



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	31 May 2023	08 February 2024

Tk. in Million

Name of Bank	Name of Mode	Sanction/ Disburse Tk.	Outstanding	Outstanding date
BASIC Bank Limited	TL STL/LTR	400.00	212.00	01.05.2023
Islami Bank Bangladesh Limited	WC/Special (inter changeable with sister concern) Stimulus HPSM HPSM HPSM	260.00	144.20	23.05.2023
Southeast Bank Limited	Bai Muajjal Commercial Baim Time TR Baim (Co) WCSP LC	269.30	201.80	01.05.2023
Hajj Finance Company Limited	Lease Investment	60.00	63.30	01.05.2023
Pubali Bank Limited	MPI (TR)	200.00	132.90	18.05.2023

**Financial Based on-** audited financial statements of FY'16, FY'17, FY18, FY'20, Fy'21, Fy'22.

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

## RATING RATIONALE

WCRCL has reaffirmed 'BBB1' (pronounced as Triple B One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to Zaman Manufacturing Co. Ltd (hereinafter referred as "ZMCL" 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 for the Long Term loan outstanding and blr ST-3 ((pronounced as bank loan rating Short Term Three) to short term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which includes experienced and skilled directors and management team, having sister concerns, large area coverage, maintain insurance coverage, comfortable interest coverage position, good presence in the market place. However, the above factors are constrained by poor disclosure in financial statements, Negative revenue growth, foreign exchange risk of the currency, tight Liquidity position, highly levered company.

The long term rating implies that the entity 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 entity 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 ZMCL will be able to maintain its good fundamentals in the foreseeable future.