

4th SURVEILLANCE CREDIT RATING REPORT ZAMAN FASHIONWEARS LIMITED

Ref. no.: FR/2023/032591



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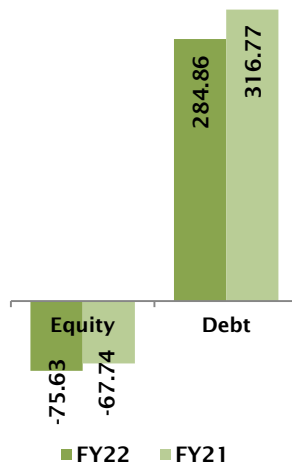
Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	04 July 2023	03 July 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Islami Bank Bangladesh Limited 01.07.2023	HPSM	152.00	125.25	blr BBB
	LC/ Bills, BBLC/BB	200.00	89.54	blr ST 3
	Bills/Bai-Salam BG/stimulus			

Key Snapshot:

Particulars	FY22	FY21
Revenue	128.87	100.69
EBIT	6.96	4.89
Net Profit	-7.27	-8.40
Total Assets	209.23	249.03
Total Equity	-75.63	-67.74
Debt	284.86	316.77
Net Profit Margin (%)	-5.6%	-8.3%
CCC (Days)	130.44	343.02
ICR (X)	0.53	0.38

Capital Structure
(BDT. in million)



Analysts:

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Financial Based on- Audited statements up to 30 June 2022.

Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'BBB' (pronounced Triple B) rating for the Long Term and 'ST 3' (pronounced Short Term Three) rating for Zaman Fashionwears Limited (hereinafter referred to as 'ZFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'BBB' (pronounced as Bank Loan Rating Triple B) rating for the Long Term Loan Outstanding and 'blr ST 3' (pronounced Bank Loan Rating Short Term Three) rating for aggregated short term bank loan limit amount. The above ratings have been assigned based on experienced and skilled management, equipped with sufficient power backup, have fire insurance, give good supportive facilities to the workers and have strong group support. However, the above factors are constrained to some extent long cash conversion cycle due to pile of inventory in stock, tight liquidity position and highly levered in the capital structure.

The long term rating implies that the entity is subject average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that ZFL 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