

6th SURVEILLANCE CREDIT RATING REPORT ZAIN TRADE INTERNATIONAL

Ref. no.: FR/2023/033236



Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	01 August 2024

Methodology: *SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com*

RATING RATIONALE

WCRCL has reaffirmed WCRSME3 (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Zain Trade International (hereinafter referred to as 'ZTI' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which long business experiences of the proprietor in the business, good business network, good profitability margin, low levered capital structure, comfortable interest coverage position and satisfactory banking relationship.

However, low disclosure in the financial statements, tight liquidity position considering long cash conversion cycle, no insurance coverage for the inventory in stock and manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

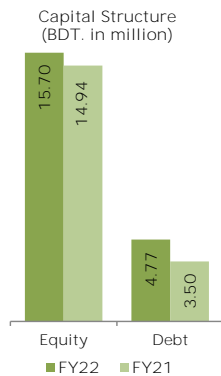
WCRCL also viewed the enterprise with "Stable" outlook and believes that ZTI will be able to maintain its good fundamentals in the foreseeable future.

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.

Key Snapshot:

Tk. in million

Particulars	FY22	Y21
Revenue	27.05	55.80
EBIT	2.85	3.43
Net Profit	1.42	2.23
Total Assets	20.47	18.44
Total Equity	15.70	14.94
Debt	4.77	3.50
Net Profit Margin (%)	5.3	4.0
CCC (Days)	71	131
ICR (X)	4.49	7.56



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com