

1st SURVEILLANCE CREDIT RATING REPORT ZAKIR TEXTILE



Ref. no.: FR/2023/032581

Report Contents:

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (Hypo)	350.00	291.03	30.06.2023

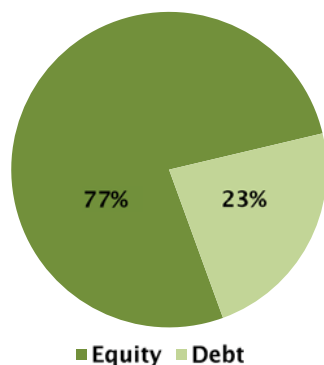
Financial Based on-Unaudited financial statements up to 31 December 2022, 2021.

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

Key Snapshot:

Particulars	2022	2021
Revenue	927.85	1333.85
EBIT	2.49	98.97
Net Profit	-28.21	68.28
Total Assets	778.24	887.70
Total Equity	414.08	529.53
Total debt	364.15	358.17
Net Profit Margin (%)	-3.04	5.12
CCC (Days)	272	209

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has assigned 'WCRSME 3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Zakir Textile** (hereinafter referred as "ZT" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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.

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

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