

# SURVEILLANCE CREDIT RATING REPORT ZIHAD GARMENTS



Ref. no.: FR/2023/30813

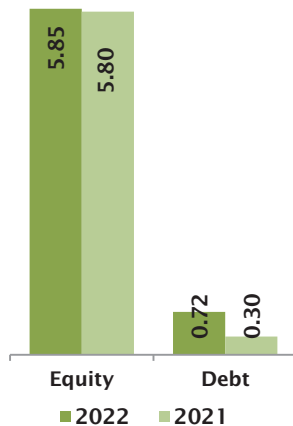
## Report Contents:

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

## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	22.00	19.95
EBIT	2.35	1.85
Net Profit	2.18	1.85
Total Assets	6.57	6.10
Total Equity	5.85	5.80
Total debt	0.72	0.30
Net Profit Margin (%)	9.9%	9.2%
CCC (Days)	21	22
ICR (X)	13.82	n/a

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



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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

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

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Zihad Garments (hereinafter referred as "ZG" 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
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure
- Liquidity position was good evident by short cash conversion cycle

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

- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- No Insurance Coverage
- Rented business premises and storage facility

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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