

ZODIAC

12th October, 2021

National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East Mumbai - 400051 Scrip Code : ZODIACLOTH	BSE Limited, Corporate Relationship Department, First Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Mumbai - 400001 Scrip Code : 521163
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Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that CARE Ratings Ltd. (CARE) has assigned the Long Term rating of CARE BB+; Positive (Double B Plus; Outlook: Positive) for Rs. 54 Crore Line of Credit of the Company.

The reasons provided by CARE for assigning the rating is reproduced below:

"The ratings assigned to the bank facilities of Zodiac Clothing Limited (ZCCL) continue to derive strength from the long track record and established brand presence of the company in the men's wear segment supported by wide geographical presence. The ratings take note of comfortable capital structure and adequate liquidity profile of the company. Additionally, the ratings also factor in promoter's experience in the apparel segment and the financial support extended to the company.

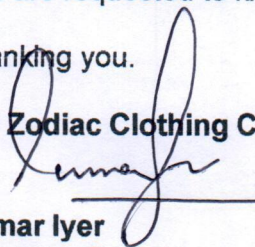
The rating strengths, however, are tempered by the significant decline in scale of operations over the years leading to net losses and elongated working capital cycle. The operations in FY21 and Q1FY22 continue to be significantly impacted by COVID-19 related restrictions. With intense competition from both organised and unorganised players in the industry, the company has limited pricing flexibility.

Going forward, CARE expects, with uptick in exports and various cost rationalisation measures, PBILDT margins to expand along with the scale of operations. The same continues to remain key rating monitorable.

You are requested to kindly take the above information on record.

Thanking you.

For Zodiac Clothing Company Limited


Kumar Iyer
Company Secretary
Membership No.: A9600



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