

SURVEILLANCE CREDIT RATING REPORT  
BHAIR BHAI SPINNING MILLS LIMITED



Ref. no.: FR/2023/029834

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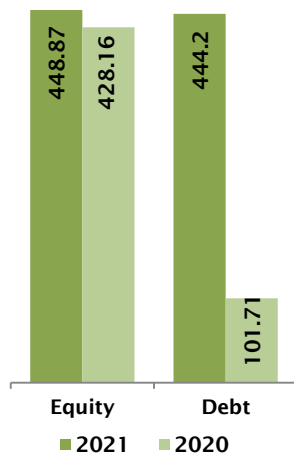
Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-4	Stable	12 March 2023	11 March 2024

Bank	Mode	Limit/Sanctioned amount	Outstanding as on 07.12.2021	Bank Loan Rating
The Premier Bank Limited	CC(Hypo)	150.00	--	blr ST-4

**Key Snapshot:**

Particulars	2021	2020
Revenue	1,172.9	429.06
EBIT	27.77	6.38
Net Profit	3.95	3.53
Total Assets	893.08	529.87
Total Equity	448.87	428.16
Debt	444.20	101.71
Net Profit Margin (%)	0.3%	0.8%
CCC (Days)	37.99	-35.47

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



**Analysts:**

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**Financial Based on-** Audited financial statement up to 2021.

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

**RATING RATIONALE**

WCRCL has reaffirmed 'BBB2' (pronounced Triple B Two) rating for the Long Term and 'ST-4' (pronounced Short Term Four) rating for Short Term to Bhai Bhai Spinning Mills Limited (hereinafter referred as "BBSML" or "the company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also reaffirmed 'blr ST-4 (pronounced Bank Loan Rating Short Term Four)' to all the short-term loan facilities enjoyed by the company.

The above ratings have been assigned based on experienced and skilled management, direct monitoring of business by the directors, strong customer supplier base, good collateral security arrangement. However, the above factors are constrained to some extent by decreasing trend in sales and profitability, not efficiently control over overhead costs, low asset utilization capacity, rescheduling history in loan repayment.

The long term rating implies that the entity rated in this category is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that, the company have acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances. WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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