

1st SURVEILLANCE CREDIT RATING REPORT

HAMZA COTTON MILLS LIMITED



Ref. no.: FR/2023/032233

Report Contents:

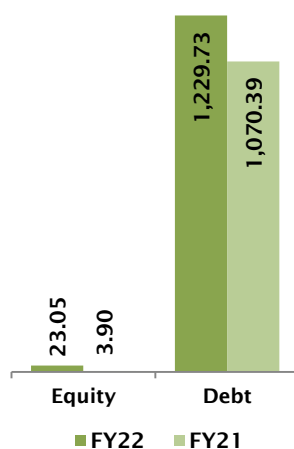
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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	801.14	362.47
EBIT	110.79	47.04
Net Profit	16.11	-0.10
Total Assets	1,252.7	1,074.28
Total Equity	23.05	3.90
Debt	1,229.7	1,070.39
CCC (Days)	2.0%	0.0%
ICR (X)	127	372

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	04 July 2023	28 June 2024

Tk. in million

Bank Name	Mode of Investment	Disbursed Amount	Outstanding Amount as on 30.06.2023	Bank Loan Rating
NCC Bank Limited	Term Loan	955.79	814.26	blr BBB-
	Lease Finance	8.50	2.27	
	CC Hypo	50.00	44.01	blr ST 4
	L/C		(22.67)	
	LG/ABP/LC		(439.09)	

Financial Based on- Audited statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned 'BBB-' (pronounced Triple B Minus) rating for the Long Term and assigned 'ST 4' (pronounced Short Term Four) rating for Short Term to Hamza Cotton Mills Limited (hereinafter referred to as 'HCML' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB-' (pronounced Bank Loan Rating Triple B Minus) long term bank loan limit amount and assigned 'blr ST 4' (pronounced Bank Loan Rating Short Term Four) rating for Short Term bank Loan. The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, give good supportive facilities to the workers, have group support and good fund flow from operation. However, the above factors are constrained by highly levered capital structure, tight liquidity position and low disclosure of the unaudited financial statements.

The long term rating implies that the entity is subject below average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

WCRCL also viewed the company with Stable outlook and believes that JACIL 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