

5th SURVEILLANCE CREDIT RATING REPORT
M. HOSSAIN COTTON SPINNING MILLS (PVT.) LIMITED



Ref. no.: CRAR-055/2023

Report Contents:

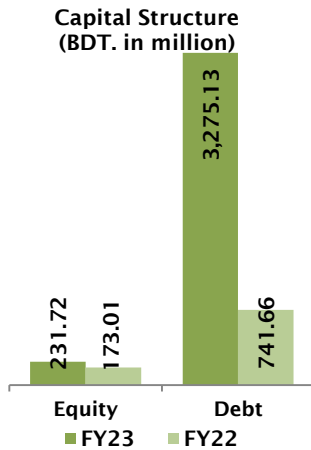
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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A	ST 3	Stable	10 October 2023	09 October 2024

Key Snapshot:

Tk. In million

Particulars	FY23	FY22
Revenue	2,041.21	2,047.98
EBIT	163.75	141.36
Net Profit	58.71	80.04
Total Assets	3,506.85	914.68
Total Equity	231.72	173.01
Debt	3,275.13	741.66
Net Profit Margin (%)	2.9%	3.9%
CCC (Days)	184	94
ICR (X)	1.76	3.00



Tk. In Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding	Date of Outstanding
Shahjalal Islami Bank Limited	HPSM	1630.00	1524.39	01.10.2023
	Baim	550.00	210.98	
	EDF	700.00	56.66	
	IDBP	150.00	-	
	MPI TR	100.00	224.18	
	LC	1500.00	605.04	
Basic Bank Limited	BG	150.00	55.46	
	CC	67.50	53.75	
	LTR	20.00	nil	
	LC	30.00	nil	

Financial Based on- Audited financial statements up to 30 June 2023.

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

RATING RATIONALE

WCRCL has reaffirmed ‘A’ (pronounced Single A) rating for the Long Term and ‘ST 3’ (pronounced as Short Term Three) rating for Short Term to M. Hossain Cotton Spinning Mills (Pvt.) Limited (hereinafter referred to as ‘MHCSML’ or ‘The Company’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed “blr A” (pronounced as Bank Loan Rating Single A), “blr ST 3” (pronounced as Bank Loan Rating Short Term Three) rating to the short term limit. The above ratings have been assigned based on the fundamentals of the company which include group support, long experienced management, strong network of the sponsors, and satisfactory credit history. However, the above factors are constrained by volatile revenue and profitability, moderately tight working capital scenario, marginal coverage position, and unstructured record keeping system.

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

Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

WCRCL also viewed the company with “Stable” outlook and believes that MHCSML 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.