

SURVEILLANCE CREDIT RATING REPORT

M. HOSSAIN SPINNING MILLS (PVT.) LIMITED



Ref. no.: CRAR-054/2023

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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

Tk. In Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Shahjalal Islami Bank Limited	HPSM	121.20	110.15	01.10.2023
	Baim TR	400.00	404.48	
	EDF	500.00	188.80	
	L/C	500.00	453.71	
	MPI TR	150.00	125.57	
	BG	150.00	21.15	

Key Snapshot:

Tk. In million

Particulars	FY23	FY22
Revenue	998.88	1,205.84
EBIT	61.29	72.66
Net Profit	30.30	41.30
Total Assets	1,478.96	778.27
Total Equity	239.69	209.40
Debt	1,239.2	568.87
Net Profit Margin (%)	3.0%	3.4%
CCC (Days)	330	155
ICR (X)	2.39	3.02

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 Plus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to M. Hossain Spinning Mills (Pvt.) Limited (hereinafter referred to as 'MHSML' 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 Plus) and "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 long operating history experienced and skilled management, direct monitoring of business by the directors, available power backup, profitability business concern, group strength, good repayment history of bank loan. However, the above factors are constrained to levered capital structure, tight working capital requirement, low management information system (mis) and manual accounting system.

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

WCRCL also viewed the company with "Stable" outlook and believes that MHSML 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.

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Capital Structure (BDT. in million)

