

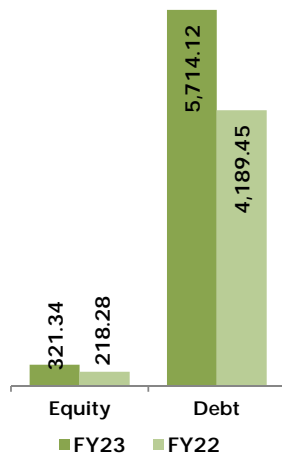


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## Key Snapshot:

Particulars	Tk. in million	
	FY23	FY22
Revenue	2,400.6	2,523.1
EBIT	387.97	404.61
Net Profit	103.06	109.41
Total Assets	6,035.4	4,407.7
Total Equity	321.34	218.28
Debt	5,714.1	4,189.4
Net Profit Margin (%)	4.3%	4.3%
CCC (Days)	738.03	692.86
ICR (X)	1.49	1.49

Capital Structure  
(BDT. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	AA-	ST 3	Stable	26 December 2023	29 December 2024

Bank	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
First Security Islami Bank PLC (30.11.2023)	LC (Sight/Def.)	500.00	473.78	blr ST 3
	PIF	200.00	0.00	
	Bai-Murabaha (Hypo)	100.00	104.05	blr AA-
	IBB (HB)	130.00	8.18	
	IBB (HP)	50.00	3.21	
	IBB (Mach)	424.40	36.82	blr ST 3
EXIM Bank Limited (30.11.2023)	Bai-Muajjal (Hypo)	200.00	197.34	
	LC/ ABP(Sight/DP)	1000.00	502.25	
	Bai Salam	50.00	nil	
	MTR	200.00	0.00	blr ST 3
	EDF		175.20	
	BG	Case to case	17.99	blr ST 3
	L/C (Rev.)	500.00	480.69	
Bank Asia Ltd. (30.11.2023)	LTR	120.00	0.00	blr ST 3
	Demand Loan	(100.00)	97.5	
	LDBP	400.00	48.23	blr ST 3
Global Islami Bank PLC. (30.11..2023)	Murabaha	350.00	367.15	
Rupali Bank PLC (30.11.2022)	LC (EDF, Sight, Deferred, Local)	500.00	356.17	blr ST 3
	LDBP	240.00	12.93	
	CC (Hypo)	500.00	499.65	
	<b>Total</b>	<b>5,714.00</b>	<b>3,426.81</b>	

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

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

## RATING RATIONALE

WCRCL has assigned 'AA-' (pronounced as Double A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **BSB Spinning Mills Limited** (hereinafter referred to as 'BSML' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned 'blr AA-' (pronounced as Bank Loan Rating Double A Minus) rating to the long term loan outstanding and "blr ST 3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregate short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in spinning industries, experienced and skilled management, established market position and stable customer profile which reflects healthy turnover and margins, financial flexibility arising from Salma Group, revenue was in increased trend, consistent banking performance, positive free cash flow (FCF) and fund flow from operations (FFO), increased return on average equity (ROAE), good infrastructural arrangement with state of art machineries and maintained insurance coverage.

**BSB SPINNING MILLS LIMITED**

Ref. no.: CRAR-0559/2023



However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, high levered capital structure, stressed liquidity position considering long cash conversion cycle, marginal interest coverage position and volatile market price of the raw cotton.

The long term rating implies that the entity is subject below very strong 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 **BSML** will be able to maintain its good fundamentals in the foreseeable future.

--- End of Rationale ---

