

# SURVEILLANCE CREDIT RATING REPORT MAHIR STEEL AGENCY



Ref. no.: FR/2022/26154

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	CC (H)	7.50	7.59	23.08.2022

BDT. In million

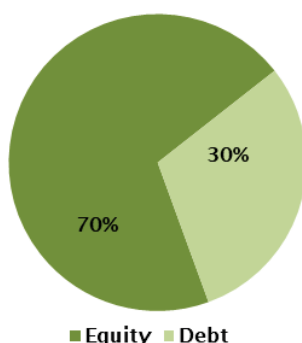
Financial Based on-unaudited financial statements for 31<sup>st</sup> December 2021.

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

## Key Snapshot:

Particulars	BDT. in million	
	2021	2020
Revenue	88.68	77.11
EBIT	4.26	3.47
Net Profit	4.26	3.47
Total Assets	32.28	32.94
Total Equity	22.58	24.03
Debt	9.70	8.90
Net Profit Margin (%)	4.8%	4.5%
CCC (Days)	52	57
FFO	4.26	3.47

Capital Structure  
(BDT. in million)



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Mahir Steel Agency (hereinafter referred as "MSA" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure

However, the above rating has been moderated to some extent due to some factors like:

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Low interest coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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

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