

# CREDIT RATING REPORT NEW DHAKA STEEL CORPORATION



Ref. no.: FR/2022/026483

## Report Contents:

| Particulars                 | Page |
|-----------------------------|------|
| Rating Rationale            | 1    |
| Entity Profile              | 2    |
| Business Management         | 2    |
| Business Analysis           | 2    |
| Financial Position Analysis | 3    |
| Banking Relationship        | 4    |
| Risk Factor Analysis        | 4    |
| Rating Observation          | 5    |

| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
|            | WCRSE 3     | Stable  | 06 November 2022    | 05 December 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

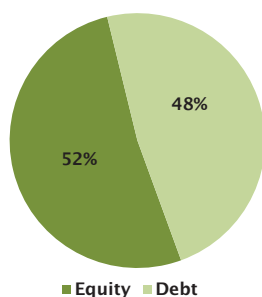
**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

### Key Snapshot:

| BDT. in million       |        |        |  |
|-----------------------|--------|--------|--|
| Particulars           | 2021   | 2020   |  |
| Revenue               | 607.74 | 625.10 |  |
| EBIT                  | 43.36  | 42.94  |  |
| Net Profit            | 41.81  | 41.55  |  |
| Total Assets          | 136.88 | 155.60 |  |
| Total Equity          | 70.84  | 67.06  |  |
| Total debt            | 66.05  | 88.54  |  |
| Net Profit Margin (%) | 6.9    | 6.6    |  |
| CCC (Days)            | 57     | 54     |  |
| ICR (X)               | 27.89  | 30.90  |  |

Capital Structure  
(BDT. in million)



WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to New Dhaka Steel Corporation (hereinafter referred as "NDSC" 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
- Satisfactory banking relationship
- Good business network
- Low levered capital structure
- Good interest coverage position

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 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 NDSC will be able to maintain its good fundamentals in the foreseeable future.

### Analysts:

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