

CREDIT RATING REPORT PIONEER STEEL RE-ROLLING MILLS LIMITED



Ref. no.: FR/2023/32479

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	16 January 2023	15 January 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Jamuna Bank Limited	LC Sight	20.00	nil	15.01.2023
	BMC	50.00	13.88	
	BG/PG	1.114	1.88	
Total		71.114	15.76	

BDT. in million

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	131.16	38.85
EBIT	3.98	2.17
Net Profit	1.95	0.54
Total Assets	16.83	9.36
Total Equity	-1.61	-3.56
Total debt	18.45	12.92
Net Profit Margin (%)	1.5%	1.4%
CCC (Days)	9	53
ICR (X)	3.34	1.56

Financial Based on—unaudited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Pioneer Steel Re-Rolling Mills Limited (hereinafter referred as "PSRRML" or "The Company") 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:

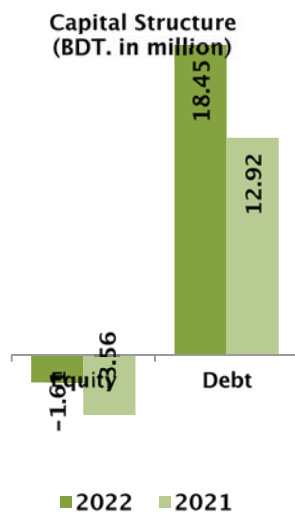
- Experienced directors and management
- Maintained sound relation with supplier & buyer
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good liquidity position considering short cash conversion cycle
- Good interest coverage position

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

- Highly levered capital structure
- No insurance coverage
- No Update Fair License
- Medium disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the company is adjudged to average level of credit worthiness in relation to other small Companies.

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



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