

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT MOHANAGAR STEEL CORPORATION



Ref. no.: CRAR-14840/2023

## Report Contents:

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

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 3	Stable	10 October 2023	10 October 2024

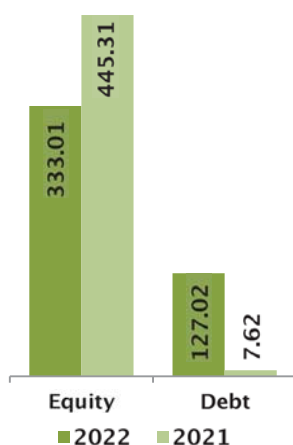
Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com).

Tk. in Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
NCC Bank Limited (09.10.1023)	CC (H)	100.00	50.56	blr ST 3
Brac Bank Limited (09.10.1023)	OD	50.00	20.00	blr ST 3

## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	1,195	1,155
EBIT	15.35	14.68
Net Profit	14.20	13.03
Total Assets	460.03	452.94
Total Equity	333.01	445.31
Total debt	127.02	7.62
Net Profit Margin (%)	1.2	1.1
CCC (Days)	70	76
ICR (X)	15.35	9.79

Capital Structure  
(BDT. in million)



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## RATING RATIONALE

WCRCL has reaffirmed the long term rating to 'BBB-' (pronounced as Triple B Minus) and 'ST 3' rating (pronounced as Short Term Three) for the short term to Mohanagar Steel Corporation. (hereinafter referred to as 'MSC' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed 'blr ST 3' (pronounced as bank loan rating Short Term Three) rating to aggregate short term limit.

The above ratings have been assigned based on experienced and skilled management, satisfactory banking relationship, good mortgage security coverage against loan, good business network, good Net Worth of the Proprietor, good Profitability margin, low levered capital structure, comfortable interest coverage position and maintained sound business relation with supplier & buyer.

However, the above factors are constrained to some extent by average disclosure in the financial statement, tight liquidity position with long cash conversion cycle, market saturation or high competition, and low management information system (MIS) and Manual accounting system.

The long term rating implies that the enterprise is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the enterprise has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

WCRCL also viewed the enterprise with "Stable" outlook and believes that MSC 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.