

5th SURVEILLANCE CREDIT RATING REPORT RAKHI STEEL CORPORATION

Ref. No.: CRAR-3969/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 2024

Tk. in Million				
Bank Name	Investment Mode	Limit Amount	Outstanding Amount	Outstanding Date
NCC Bank Limited	CC (H)	25.00	12.83	04.10.2023

Financial Based on- Un-audited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to Rakhi Steel Corporation (hereinafter referred to as 'RSC' 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 long experience track of the proprietor, overall good profitability ratios, low levered enterprise, good interest coverage position, good security arrangement and regular loan repayment history.

However, the above factors are constrained to some extent by tight liquidity position, inventory holding risk and no disclosure in the financial statements.

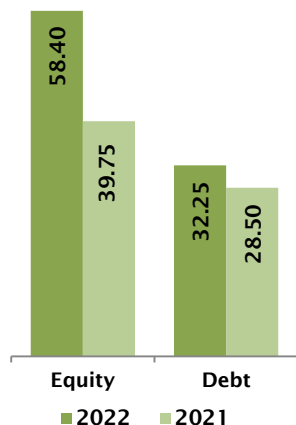
The SME rating implies that the enterprise is adjudged above average credit quality.

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

Key Snapshot:

Tk. in Million		
Particulars	2022	2021
Revenue	203.92	177.32
EBIT	23.68	20.72
Net Profit	21.12	18.28
Total Assets	90.65	68.25
Total Equity	58.40	39.75
Debt	32.25	28.50
Net Profit Margin (%)	10.4	10.3
CCC (Days)	128	134
ICR (X)	9.47	8.62

Capital Structure
(BDT. in million)



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