

 Early Warning System

IFC-48468

Meghna Re-Rolling & Steel Mills Limited



Quick Facts

Countries	Bangladesh
Specific Location	Cumilla
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-10-30
Borrower	Meghna Group
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 46.02 million
Project Cost (USD)	\$ 372.00 million



Project Description

According to the Bank's website, the proposed investment is for up to US\$100 million ("IFC Loans") to Meghna Re-Rolling and Steel Mills Limited ("MRS�" or the "Company") in Bangladesh. IFC's financing package will support setting up a greenfield steel plant with a melting capacity of 1.4 million Metric Tons per year and a rolling capacity of 0.9 million Metric Tons per year (the "Project"). The Project will use more than ninety percent scrap steel as input with its energy-efficient electric arc furnace (EAF) technology, thereby helping Bangladesh increase circularity in the steel sector and reduce the carbon foot print of the final product.



Early Warning System Project Analysis

This is a Category A project as per IFC's Policy on Environmental and Social Sustainability (2012) due to the potentially significant, diverse, and irreversible environmental and social risks and impacts associated with this greenfield steel mill project if identified risks are not managed properly. The key E&S risks and issues include (i) the company's management and monitoring systems to identify, assess and manage E&S risks and impacts from construction and operation of the greenfield scrap-based steel plant and its associated facility covered under the project including impacts on fishing activities; (ii) assurance of fair, safe, and healthy labor working conditions including occupational health and safety (OHS) and life & fire safety risks; (iii) monitoring and management of air emissions, wastes, wastewater and hazardous materials; (iv) monitoring and management of ambient noise levels; (v) community health and safety risks, emergency preparedness and response, risks due to road and river transport fleet operations; and (vi) stakeholder engagement activities related to E&S aspects.



Investment Description

- International Finance Corporation (IFC)

The total Project cost is estimated at US\$372 million and is proposed to be financed with long-term debt totaling US\$224 million and the balance of US\$148 million will be financed through equity.

The Project involves a 9-year senior loan comprising of US\$46.02 million from IFC's own account and US\$53.98 million from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program (MCPPI).

The loan will have a tenor of 9 years, including a 3-year grace period on principal repayments.



Private Actors Description

Meghna Group of Industries (MGI) has diversified business operations across multiple industrial sectors in Bangladesh. As part of its business expansion, Meghna Group is establishing a scrap steel-based, greenfield steel mill and rerolling plant (the Project) with a capacity of 1.4 million metric tonnes of billets per year and rebar capacity of 0.9 million metric tonnes per year in the Cumilla Economic Zone (CuEZ) located in Luterchar union, Meghna Upazila, Cumilla district in Bangladesh. For more information, you can visit <https://www.mgi.org/>.

The sponsors include Mr. Mostafa Kamal, his wife Mrs. Beauty Akhter, and their grown-up children - Ms. Tahmina Binthe Mostafa, Ms. Tanjima Binthe Mostafa, Mr. Tanveer Ahmed Mostafa and Tasnim Binthe Mostafa (collectively referred to as the “Sponsors”). The Sponsors are the ultimate beneficial owners of hundred percent of the shareholding in the Borrower.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Meghna Group	Client	-



Contact Information

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



Bank Documents

- [2051240793 - MRSML -Revised CIA Report V1_clean version-compressed](#)
- [25042024_Draft QRA_MRSML_V2_clean version-compressed](#)
- [31072024_Final ESIA Report_MRSML_V3 -Clean Version-compressed](#)
- [Environmental & Social Review Summary \(ESRS\)](#)