

Report Contents:

Particulars	Page
Rating Rationale	1
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	3
Risk Factor Analysis	4
Rating Observation	4

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 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

Tk. In Million			
Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 06.10.2022
Mercantile Bank Limited	CC(H)	4.50	3.03

Key Snapshot:

Particulars	2021	2020
Revenue	58.00	52.00
EBIT	6.82	5.56
Net Profit	5.71	4.68
Total Assets	25.51	22.28
Total Equity	18.81	17.08
Debt	6.70	5.20
Net Profit Margin (%)	9.8	9.0
CCC (Days)	64	66
ICR (X)	11.76	12.36

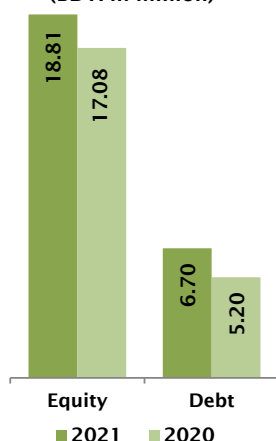
Financial Based on- Submitted management prepared financial statements for 31st December, 2018-2021.

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

RATING RATIONALE

WCRCL has upgrade 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Rakib Enterprise (hereinafter referred to as 'RE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

Capital Structure (BDT. in million)



The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor, good business network, low leverage position in the capital structure, good interest coverage position and owned business premises.

However, the above factors are constrained to some extent by no disclosure in the financial statement, inventory holding risk, tight liquidity position considering long cash conversion cycle, manual accounting process, no insurance coverage and high competition in the business area.

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

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