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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
Mercantile Bank Limited	CC (H)	5.00	3.28	30.11.2022
	WC	1.00	-	
	BG	2.00	-	

BDT. In million

## Key Snapshot:

BDT. In Million

Particulars	FY22
Revenue	44.28
EBIT	4.20
Net Profit	4.06
Total Assets	19.10
Total Equity	14.99
Debt	4.12
Net Profit Margin (%)	9.2
CCC (Days)	113
ICR (X)	30.58

Financial Based on-unaudited financial statements up to 30<sup>th</sup> June FY22.

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

## RATING RATIONALE

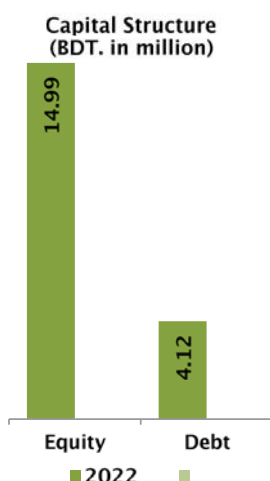
WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Abul Kashem (hereinafter referred as "AK" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No update trade licenses
- Low management information system (MIS) and Manual accounting system



## Analysts:

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

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