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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	11 March 2024

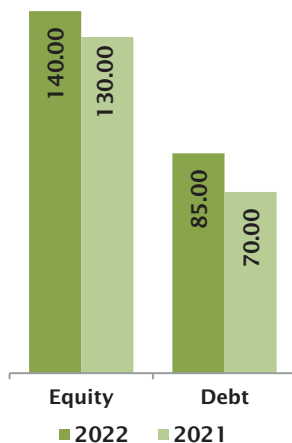
WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	CC (Hypo)	5.00	4.98	11.01.2023
	Stimulus	2.00	2.00	
	BG	7.50	-	
	BG (SE)	7.50	-	

Key Snapshot:

Particulars	2022	2021
Revenue	550.00	450.00
EBIT	52.00	35.00
Net Profit	46.00	30.00
Total Assets	225.00	200.00
Total Equity	140.00	130.00
Debt	85.00	70.00
Net Profit Margin (%)	8.4%	6.7%
CCC (Days)	107.13	123.72
ICR (X)	10.40	8.75

Capital Structure
(BDT. in million)



Financial Based on-unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Babar Traders and Engineering workshop (hereinafter referred as "BTEW" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Net Worth of the Proprietor
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

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