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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	16 January 2023	22 November 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

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 09.01.2023
Mercantile Bank Limited	CC(H)	35.00	34.45
	SOD	5.00	5.00

Tk. In Million

Key Snapshot:

Particulars	2020	2021
Revenue	120.00	140.00
EBIT	16.20	19.00
Net Profit	11.43	13.95
Total Assets	102.10	104.90
Total Equity	57.83	60.35
Debt	44.27	44.55
Net Profit Margin (%)	9.5	10.0
CCC (Days)	172	149
ICR (X)	4.63	5.43

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

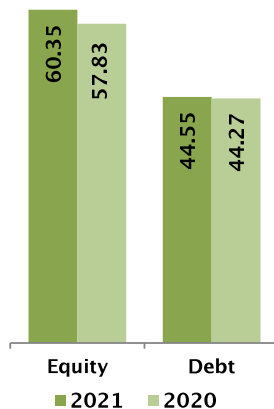
WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Shakil Enterprise (hereinafter referred to as 'SE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating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

The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor, good business network, satisfactory banking relationship, good profitability margin, low leverage position in the capital structure, good interest coverage position and owned business promise. However, the above factors are constrained to some extent by lack of disclosure in the financial statement, tight liquidity position considering long cash conversion cycle, inventory holding risk and manual accounting process in the business.

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

Capital Structure
(BDT. in million)



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