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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	08 August 2023	07 August 2024

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

RATING RATIONALE

WCRCL has Reaffirmed ‘WCRSME4’ (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to Group of Merchant Chemical (hereinafter referred as “GMC” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	206.35	162.42
EBIT	11.66	9.18
Net Profit	10.92	8.60
Total Assets	67.70	53.29
Total Equity	60.21	47.39
Debt	7.50	5.90
Net Profit Margin (%)	5.3	5.3
CCC (Days)	94	105
ICR (X)	15.80	15.80

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

- Experienced and skilled management
- Good business network
- Good interest coverage position
- Low levered capital structure

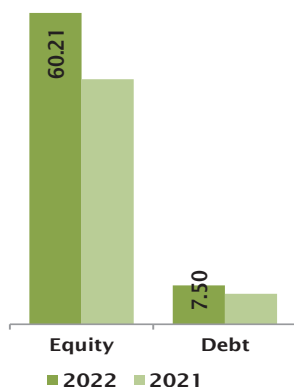
However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

WCRCL also viewed the enterprise with “Stable” outlook and believes that GMC will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy

**Capital Structure
(BDT. in million)**



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