

# SURVEILLANCE CREDIT RATING REPORT LILLIAN PHARMACEUTICALS LIMITED

Ref. no.: FR/2023/031211



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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB3 (Indicative)*	07 May 2023	06 May 2024

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

## RATING RATIONALE

WCRCL has reaffirmed “BBB3 (Indicative)” (pronounced Triple B Three Indicative) in the long term to Lillian Pharmaceuticals Limited (hereinafter referred as “LPL” or “The Project”) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that LPL is subject to medium credit risk. This is considered to be medium grade and as such may possess certain speculative characteristics.

Lillian Pharmaceuticals Limited is rated in investment grade is subject to medium credit risk due to favorable condition regarding market outlook, management experience, land procurement, credibility, and locational advantage. Earlier mentioned variables are considered positive factors while assigning the rating, because market outlook of pharmacy industry favorable in Bangladesh. Project cost structure revealed low portion of debt may expose low risk in response to equity investment. Specific LC of Tk. 18.36 million, Subsequent HPSM-Industry of Tk. 11.00 million and HPSM of Tk. 25.00 million from Premier Bank Limited. Outstanding of HPSM is Tk. 26.64 million and outstanding of LC is Tk.18.14 Million as on May 2023. Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next period.

This rating may be revised subject to credibility of the sponsors, successful implementation and debt proportion in line with the Sponsor’s equity investment or changes in any macro factors along with micro factors in the economy.

However, the ratings are constrained by relatively low leverage, risk associated with arranging project loan and working capital for the project, and risk associated with project implementation.

## Project Cost:

Particulars	Tk. in million Cost
Land & Land Development	45.11
Building & Civil Works	155.58
Imported Machinery and Equipment	34.25
Local Machinery and Equipment	40.34
Erection & Installation	1.90
Security Deposit	0.60
Furniture, Fixture & Equipment	0.59
Vecicles	8.60
Pre Operation Expenses	1.60
<b>TOTAL PROJECT COST</b>	<b>288.59</b>

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