

INITIAL CREDIT RATING REPORT DOCTOR'S CHEMICAL WORKS LIMITED



Ref. no.: FR/2023/33405

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Doctor's Chemical Works Limited (hereinafter referred as "DCWL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

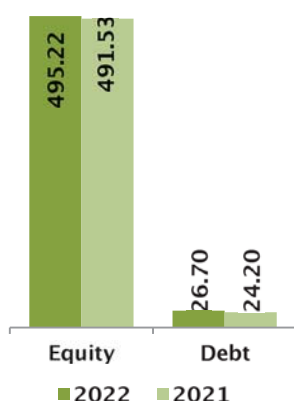
BDT. in million

Particulars	2022	2021
Revenue	227.21	208.96
EBIT	51.14	43.46
Net Profit	49.99	42.52
Total Assets	521.92	515.73
Total Equity	495.22	491.53
Total debt	26.70	24.20
Net Profit Margin (%)	22.0	20.3
CCC (Days)	96	104
ICR (X)	97	104

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

- Experienced and skilled management
- Owned business premises and storage facility
- Moderate regional diversification
- Good profitability margin
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Equipped with power backup
- Good infrastructural arrangement

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



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

- Average disclosure in the financial statement
- Small portion of market share
- R&D not developed and mature
- No insurance coverage
- Minimum product range

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that DCWL 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.

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