

# INITIAL CREDIT RATING REPORT S A PHARMACY

Ref. no.: FR/2023/32199



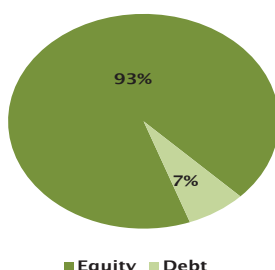
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## Key Snapshot:

BDT. in million	
Particulars	2022
Revenue	99.87
EBIT	8.51
Net Profit	7.12
Total Assets	73.15
Total Equity	67.95
Total debt	5.20
Net Profit Margin (%)	7.1
CCC (Days)	146
ICR (X)	6.22

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of WCRSME3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093.

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 S A PHARMACY (hereinafter referred as "SAP" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good business network
- Good Profitability margin
- 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
- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality to other small and medium enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SAP 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 changes in any macro and micro factors in the economy.