

# INITIAL CREDIT RATING REPORT Town Pharmacy



Ref. no.: FR/2023/32403

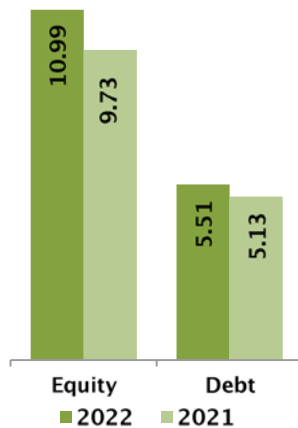
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## Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	13.07	10.44	
EBIT	5.75	4.34	
Net Profit	5.57	4.18	
Total Assets	16.50	14.85	
Total Equity	10.99	9.73	
Total debt	5.51	5.13	
Net Profit Margin (%)	42.6	40.1	
CCC (Days)	478	526	
ICR (X)	31.85	27.60	

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 SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

**Methodology:** SME rating methodology published on the WCRCCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Town Pharmacy** (hereinafter referred as "TP" 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
- Satisfactory banking relationship
- 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 is adjudged to **above average credit quality** to other small and medium enterprises.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that TP 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.