

SURVEILLANCE CREDIT RATING REPORT ESSENCE INDUSTRIAL GASES LIMITED

Ref. no.: FR/2023/030178



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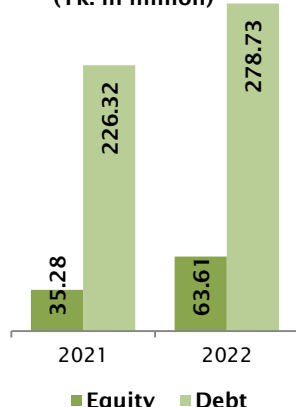
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Key Snapshot:

Tk. in Million

| Particulars | 2022 | 2021 |
|-----------------------|--------|-------|
| Revenue | 320.45 | 202.3 |
| COGS | 248.10 | 146.6 |
| Gross Profit | 72.34 | 55.64 |
| Admin. Cost | 18.75 | 14.52 |
| Financial Cost | 2.40 | 2.49 |
| PAT | 28.33 | 23.48 |
| Total Assets | 342.34 | 261.6 |
| Total Equity | 63.61 | 35.28 |
| Total Debt | 278.73 | 226.3 |
| Debt/Equity ratio (X) | 4.38 | 6.42 |
| ICR (X) | 15.62 | 12.16 |
| FFO | 28.33 | 23.48 |

Capital Structure
(Tk. in million)



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 12 March 2023 | 14 March 2024 |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

In Million

| Bank Name | Mode of Investment | Sanctioned/ Limit Amount | Outstanding |
|---|--------------------|--------------------------|-------------|
| NRBC Bank Limited (28.02.2023) | Term Loan | 40.00 | 28.93 |
| | Com. Vehicle Loan | 1.70 | 0.48 |
| | Loan General | 4.00 | 0.90 |
| | L/C | 30.00 | 22.71 |
| | LTR | 15.00 | 0.00 |
| | ABP | 73.35 | 3.86 |
| Modhumoti Bank Ltd. (28.02.2023) | Overdraft | 5.00 | 2.90 |
| | Rev. L/C | 30.00 | 3.13 |
| Standard Chartered Bank (28.02.2023) | Rev. LTR (Inner) | 15.00 | 15.00 |
| | L/C | 35.00 | 11.00 |
| BRAC Bank Ltd. (28.02.2023) | OD | 15.00 | |
| | L/C | 25.00 | 4.95 |
| Meghna Bank Ltd. (28.02.2023) | LTR (Inner) | 15.00 | 7.68 |
| | L/C | 17.50 | 0.00 |
| IPDC Finance Ltd. (28.02.2023) | LTR (Inner) | 15.00 | 0.00 |
| | Term Loan | 23.00 | 16.30 |
| United Finance Ltd. (11.03.2023) | Lease Finance | 1.60 | 0.69 |
| | Term Loan | 34.00 | 22.35 |

Financial Statement: Financial Based on Audited financial statement up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSE 3** rating (Pronounced WASO Credit Rating Small Enterprise Three) to "**Essence Industrial Gases Limited**" (hereinafter referred to as '**EIGL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been reaffirmed based on experienced owners and functional team, maintained sound relation with supplier, buyer and lender, good interest coverage position, comfortable collateral security position, maintained regular banking relationship, high demand of the product, organized marketing chain.

However, the above factors are constrained to some extent by average disclosure in the financial statement, high levered in the capital structure, medium size of business, tight liquidity position, intense industry competition and country policy toward foreign trade.

The SME rating implies that the company is adjudged above average level of credit worthiness in relation to other SEs/MEs.

WCRCL also viewed the company with **Stable** outlook and believes that **EIGL** will be able to maintain its good fundamentals in the foreseeable future.