

## SURVEILLANCE CREDIT RATING REPORT

## INCEPTA CHEMICALS LIMITED

Ref. no.: FR/2022/028100

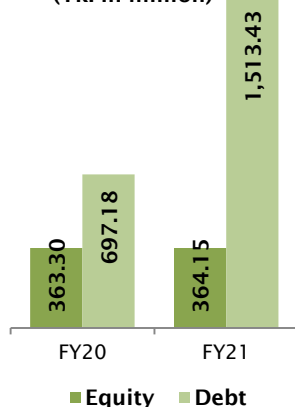


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## Key Snapshot:

Particulars	Tk. in million	
	FY21	FY20
Assets	1,877	1,060
Equity	364.1	363.3
Debt	1,513	697.1
Current Assets	201.0	177.3
Current Liabilities	1,513	697.1

Capital Structure  
(Tk. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	18 December 2022	23 December 2023

Bank	Mode	Limit	Outstanding Amount	Bank Loan Rating
Shahjalal Islami Bank Ltd. [30.11.2022]	L/C (Sight/Deferred)	2,000.0	0.00	blr ST-4
	MPI TR (Inner of LC)	150.00	0.00	
	Baim Com TR	1,150.0	0.00	
	BG (PG)	50.00	0.00	
	Import LC	1,450.0	430.20	
Standard Chartered Bank [30.11.2022]	LATR	(100.00)	0.00	blr ST-4
	Acceptance	(1,450.0)	268.27	
	Shipping Guarantee	(150.00)	0.00	
	Import LC	(220.00)	0.00	
	Acceptance	(220.00)	0.00	
	Bond & Guarantees	(20.00)	0.00	
	Import LC	(200.00)	0.00	
	Import LC	(220.00)	0.00	
	Overdraft	20.00	0.83	

Note: The company enjoyed the Revolving L/C limit of TK. 2,000.00 million, MPI TR limit of Tk. 150.00 million, Bai-Muajjal Commercial TR limit of Tk. 1,150.00 million and BG limit of Tk. 50.00 million interchangeably with its sister concern Incepta Pharmaceuticals Limited, Incepta Vaccinr Limited, Incepta Hygiene & Hospicare Limited and Incepta Herbal Nutricare Limited.

**Financial:** Based on Audited financial statements up to 30 June 2021.

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

## RATING RATIONALE

WCRCL has reaffirmed 'BBB3' (pronounced as Triple B Three) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **Incepta Chemicals Limited** (hereinafter referred to as 'ICL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also reaffirmed 'blr ST-4' (pronounced as Bank Loan Rating Short Term Four) rating to the short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, have strong brand image "Incepta", strong group support, good infrastructural arrangement and good banking conduct.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, high levered capital structure, the company is not yet started commercial operation.

The long term rating implies that subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that currently the entity has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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