

# SURVEILLANCE CREDIT RATING REPORT

## INCEPTA HERBAL & NUTRICARE LIMITED

Ref. no.: FR/2022/028099



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	18 December 2022	23 December 2023

Bank	Mode	Limit	Outstanding Amount	Tk. in Million	
				Bank Loan Rating	
Shahjalal Islami Bank Ltd. [30.11.2022]	L/C (Sight/Deferred)	2,000.0	0.00	blr ST-3	
	MPI TR (Inner of LC)	150.00	0.00		
	Baim Com TR	1,150.0	0.00		
	FDBP	50.00	0.00		
	BG (PG)	250.00	0.00		

### Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	355.92	214.28
COGS	230.83	139.78
Gross Profit	125.08	74.49
EBITDA	51.22	24.55
Financial Exp.	0.83	1.08
PAT	34.79	15.69
ICR (X)	61.80	22.65
Debt/Equity (X)	2.42	3.30
CCC (Days)	108	118
Net Profit Margin (%)	9.77	7.30
ROAA (%)	13.05	7.10
ROAE (%)	48.95	34.20

*Note: The company enjoyed the Revolving L/C limit of TK. 1,300.00 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 Vaccin 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 'BBB2' (pronounced as Triple B Two) rating for the Long Term and reaffirmed 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Incepta Herbal & Nutricare Limited** (hereinafter referred to as 'IHNL' 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-3' (pronounced as Bank Loan Rating Short Term Three) rating to the short term loan limit.

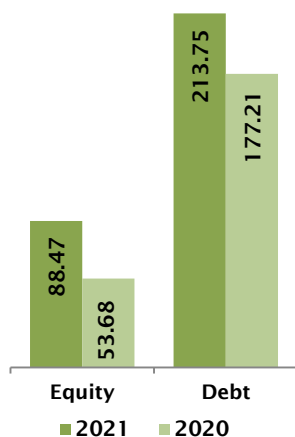
The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, have strong brand image "Incepta", strong group support, good interest coverage position, good infrastructural arrangement and good banking conduct.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, high levered capital structure and stressed liquidity position.

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 an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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

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



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