

SURVEILLANCE CREDIT RATING REPORT

INCEPTA HYGIENE AND HOSPICARE LIMITED

Ref. no.: FR/2022/028101



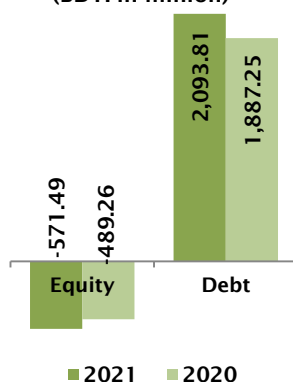
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Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	620.84	468.90
COGS	495.61	375.57
Gross Profit	125.23	93.32
EBITDA	-75.59	-70.08
Financial Exp.	4.80	17.68
PAT	-82.23	-90.58
ICR (X)	-15.74	-3.96
Debt/Equity (X)	-3.66	-3.86
CCC (Days)	297	423
Net Profit Margin (%)	-13.25	-19.30
ROAA (%)	-5.63	-6.20
ROAE (%)	15.50	20.40

Capital Structure
(BDT. in million)



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

		Tk. in Million		
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	38.09	
	BG (PG)	250.00	0.00	
	Import LC	100.00	0.00	
	LATR	(100.00)	0.00	
Standard Chartered Bank [30.11.2022]	Acceptance	(100.00)	0.00	blr ST-4
	Shipping Guarantee	(100.00)	0.00	
	Import LC	(100.00)	0.00	
	Acceptance	(100.00)	0.00	
	Bond & Guarantees	(20.00)	0.00	
	Import LC	(100.00)	0.00	
Eastern Bank Limited [30.11.2022]	Import LC	(100.00)	0.00	blr ST-4
	Overdraft	20.00	0.00	
	L/C (Sight)	550.00	27.09	
HSBC [30.11.2022]	L/C (Usance)	(550.00)	75.79	blr ST-4
	Acceptance	(550.00)	243.12	
	L/C	150.00	0.00	
	Acceptance	(150.00)	0.00	blr ST-4

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. 250.00 million interchangeably with its sister concern Incepta Pharmaceuticals Limited, Incepta Vaccine 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.

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 Hygiene and Hospicare Limited** (hereinafter referred to as 'IHHL' 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 assigned '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, negative profitability, 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 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.

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

--- End of Rationale ---