

SURVEILLANCE CREDIT RATING REPORT INCEPTA VACCINE LIMITED

Ref. no.: FR/2022/028098



Report Contents:

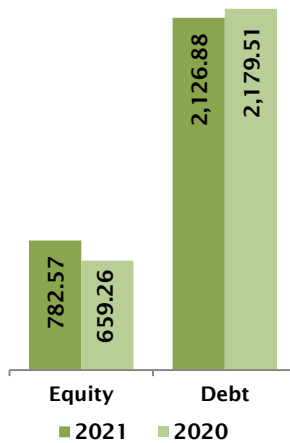
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Key Snapshot:

Tk. in million

Particulars	2021	2020
Revenue	1,675.8	1,701.6
EBIT	255.37	269.95
Net Profit	175.03	153.67
Total Assets	2,909	2,838.7
Total Equity	782.56	659.26
Debt	2,126	2,179.5
Net Profit Margin (%)	10.44	9.00
Current Ratio (X)	0.92	0.83
ICR (X)	22.89	11.90

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



Analysts:

Md. Al Amin Jewel
jewel@wasocreditrating.com

Rafiul Bary
rafi@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	AA3	ST-2	Stable	18 December 2022	30 December 2023

				Tk. in Million
Banks Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
Eastern Bank Limited (30.11.2022)	Sight LC-I	550.00	27.09	blr ST-2
	Usance LC-I	(550.00)	75.79	
	Acceptance	(550.00)	231.49	
	Import Loan	(550.00)	0.00	
	Time Loan	(550.00)	0.00	
	Demand Loan	(400.00)	11.31	
	Sight LC-II	(100.00)	0.00	
	Usance LC-II	(100.00)	0.00	
	Acceptance-II	(100.00)	0.00	
	OD	60.00	0.00	
Standard Chartered Bank (30.11.2022)	OD	(2.50)	0.00	blr ST-2
	LC- Secured	40.00	0.00	
	Drawing Against Uncleared Effects	450.00	41.19	
	Acceptance	(40.00)	0.00	
	LTR	(450.00)	64.77	
	Shipping Guarantee	(400.00)	0.00	
	Bond & Guarantee	(200.00)	0.00	
	Credit Bill Negotiated	(50.00)	0.00	
	Export Bills Discounting	(100.00)	0.0	
	STL	(100.00)	0.00	
City Bank N.A.* (30.01.2022)	LC- Unsecured	(200.00)	0.00	blr ST-2
	LC	(150.00)	0.00	
	Acceptance	320.00	15.75	
	Import Loan	240.00	0.00	
	STL	80.00	79.80	
	BG	8.0	0.00	
The City Bank Limited (30.11.2022)	OD	8.0	0.00	blr ST-2
	Check Purchase	24.00	0.00	
	Sight LC	8.0	0.00	
	Trust Receipt	200.00	0.00	
	Usance LC	(200.00)	0.00	
	Acceptance	(200.00)	20.90	
HSBC (30.11.2022)	MLPO	(200.00)	0.00	blr ST-2
	Combined Limit	(200.00)	0.00	
	OD	250.00	34.53	
	LNL-I	(20.00)	0.00	
	LNL-II	(20.00)	0.00	
	Guarantee	(25.00)	0.00	
	IMP	(50.00)	0.00	
	IMC-I	(250.00)	0.00	
	IMC-II	(50.00)	0.00	
	EXC	(200.00)	0.00	
Shahjalal Islami Bank Limited (30.11.2022)	FEX	(5.00)	0.00	blr ST-2
	Sight/ UPAS LC	250.00	0.00	
	Murabaha TR	150.00	0.00	
	Bai-Muajjal TR	1,150.00	0.00	
	BG	250.00	0.00	

* The limit amount of City Bank N.A. is given in amount of USD and it is converted to BDT at the rate of

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USD1= BTD 105.

Financial Based on-Audited statements up to 30 June 2021.

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

RATING RATIONALE

WCRCL has reaffirmed 'AA3' (pronounced as Double A Three) rating for the Long Term and reaffirmed 'ST-2' (pronounced as Short Term Two) rating for Short Term to **Incepta Vaccine Limited** (hereinafter referred to as '**IVL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has reaffirmed 'blr ST-2' (pronounced as Bank Loan Rating Short Term Two) rating for short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include first human vaccine manufacturer in Bangladesh, have strong brand image "Incepta", strong group support, experienced and skilled management, good infrastructural arrangement and maintained insurance coverage, agreement with Sinopharm, China for COVID-19 vaccine manufacturing.

However, the above factors are constrained by highly levered capital structure, very long cash conversion cycle, high inventory pile-up affecting working capital and average disclosure of financial statements.

The long term rating implies that the entity is judged to be of very high quality and subject to very low credit risk. The short term rating implies that the entity has a strong ability to repay short term debt obligations. It is likely to meet their obligations over the coming 12 months through internal resources but may rely on external sources of committed financing.

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

--- End of Rationale ---