

2nd SURVEILLANCE CREDIT RATING REPORT VICTORY BANGLA



Ref. no.: FR/2023/031277

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	18 June 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	LC	20.00	15.69	31.05.2023
	LTR	10.00	-	
	CC(H)	13.00	12.95	

Note: The enterprise enjoyed the LC & LTR limit of respectively BDT. 20.00 million & BDT. 10.00 million combinedly with its sister concern GBS Enterprise.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	82.14	74.62
EBIT	11.04	9.74
Net Profit	9.42	8.22
Total Assets	32.59	31.29
Total Equity	21.66	20.29
Total debt	10.93	11.00
Net Profit Margin (%)	11.5%	11.0%
CCC (Days)	112	118
ICR (X)	6.79	6.38

Financial Based on—audited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSE 3’ (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Victory Bangla (hereinafter referred as “VB” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Rented business premises
- No insurance coverage
- Low management information system (MIS)

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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

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