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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	13 November 2024

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Virgin Grace Limited (hereinafter referred as “VGL” or “The Company”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

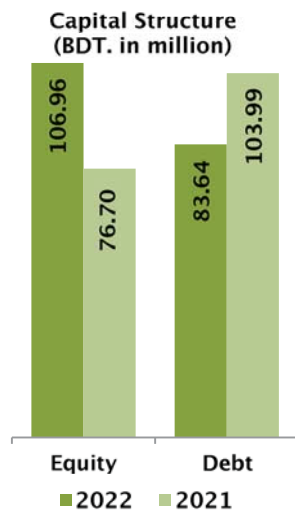
Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	166.17	144.50
EBIT	28.87	26.61
Net Profit	18.72	17.25
Total Assets	190.60	180.69
Total Equity	106.96	76.70
Total debt	83.64	103.99
Net Profit Margin (%)	11.3%	11.9%
CCC (Days)	292	320
ICR (X)	3.41	3.46

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

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Net Worth of the Managing Director
- Good interest coverage position



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

- Tight liquidity position with long cash conversion cycle
- Highly levered firm
- No disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Company is adjudged to above average credit quality.

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WCRCL also viewed the Company with “Stable” outlook and believes that VGL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.