

# 4<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT VISION COMPOSITE KNIT LIMITED

Ref. no.: FR/2023/033392



## Report Contents:

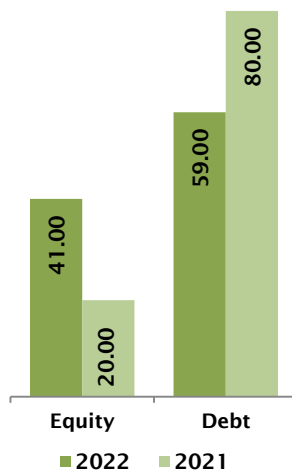
Particulars	Page
Rating Rationale	1
Corporate Profile	2
Management and Human Resources	2
Analysis of Industry Dynamics	2
Business Analysis	4
Infrastructural Arrangement	5
Financial Strength Analysis	5
Banking Relationship	6
Risk Factor Analysis	7
Rating Observations	8
Annexure	10

## Key Snapshot:

*Tk. in Million*

Particulars	2022	2021
Revenue	3,609.83	2,372.6
EBIT	359.84	123.83
Net Profit	276.39	113.57
Total Assets	1,352.75	1,015.4
Total Equity	697.88	421.49
Debt	654.86	593.92
Net Profit Margin (%)	7.7%	4.8%
CCC (Days)	(12)	(20)
ICR (X)	4.76	12.06

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



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB+	ST 3	Stable	05 September 2023	26 August 2024

*Tk. in Million*

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Pubali Bank Limited (26.07.2023)	Term Loan	180.00	170.00	blr BBB+
	BTB L/C		134.60	
	Acceptance	884.00	149.30	
	BG	1.40	1.40	
	OD (F)	35.00	14.7	blr ST 3
	OD	30.00	20.2	
	EDF	-	56.6	
	PC	50.00	-	
	BTB L/C	500.00	254.52	
	Acceptance	(500.00)	0.00	
The City Bank Limited (03.09.2023)	EDF	(400.00)	0.00	
	OD	(10.00)	3.42	blr ST 3
	PC	(20.00)	20.00	
	SG		0.09	
	IFDBC		164.45	

*\*blr-Bank Loan Rating*

**Financial Based** Un-audited financial statements up to 31<sup>st</sup> December 2022.

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'BBB+' rating for the long term (pronounced as Triple B Plus) and 'ST 3' (pronounced as Short Term Three) rating for the short term to **Vision Composite Knit Limited** (hereinafter referred to as 'VCKL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed 'blr ST 3' (pronounced as bank loan rating Short Term Three) rating to the aggregate short term loan limit.

The above ratings have been assigned based on experienced promoter in the garments industries, experienced and skilled management, financial flexibility arising from Vision Group, good liquidity position, satisfactory interest coverage position, insurance coverage against fire, comfortable security arrangement, satisfactory health and safety measures and regular loan repayment history. However, the above factors are constrained to some extent by average disclosure in the financial statement, fluctuating profitability, leverage position in the capital structure and adverse shock in RMG industry may affect revenue growth, vulnerability in raw- materials price in the local and international market may impact profitability.

The long term rating implies that the entity is subject Moderately Moderate credit quality. The short term rating implies that average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that VCKL 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.