

9th SURVEILLANCE CREDIT RATING REPORT ABC FOOTWEAR INDUSTRIES LIMITED

Ref. no.: FR/2023/031665



Report Contents:

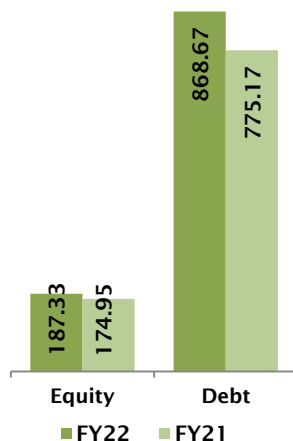
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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	917.45	738.12
EBIT	64.29	44.33
Net Profit	12.39	9.61
Total Assets	1,056.0	950.12
Total Equity	187.33	174.95
Debt	868.67	775.17
Net Profit Margin (%)	1.3%	1.3%
CCC (Days)	91.66	113.41
ICR (X)	1.89	1.69

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A2	ST-3	Stable	12 June 2023	16 June 2024

Tk. in Million

Bank Name	Mode of Investment	Limit Amount	Outstanding as on 30.05.2023	Bank Loan Rating
Agrani Bank Limited	CC (Hypo)	300.00	298.00	blr ST-3
	CC(Hypo) Covid	80.00	79.00	

* blr-Bank Loan Rating

Financial Based on- audited financial statements up to 2022.

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

RATING RATIONALE

WCRCL has reaffirmed A2 (pronounced as Single A Two) rating for the Long Term and ST-3 (pronounced as Short Term Three) rating for Short Term to ABC Footwear Industries Limited (hereinafter referred to as 'ABCFIL' 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 aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include sponsors have good knowledge about their business, positive business trend, good payment history of loan, satisfactory health and safety measure, and having insurance coverage. However, the above factors are constrained to operational bottleneck due to highly levered company and tight liquidity position.

The entity rated A2 to long term is subject to upper medium grade and subject to low credit risk. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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