

# 8<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT ITALY FOOTWEAR LIMITED

Ref. no.: FR/2023/033159



## Report Contents:

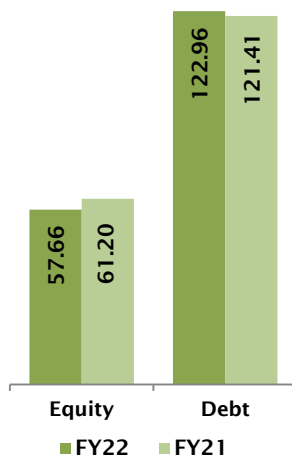
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## Key Snapshot:

*Tk. in million*

Particulars	FY22	FY21
Revenue	119.19	122.83
EBIT	10.04	12.37
Net Profit	1.23	7.15
Total Assets	180.62	182.60
Total Equity	57.66	61.20
Debt	122.96	121.41
Net Profit Margin (%)	1.0%	5.8%
CCC (Days)	313	290
ICR (X)	1.40	3.23

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



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	22 August 2023	28 August 2024

*Tk. in million*

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding	Bank Loan Rating
Trust Bank Ltd. (20.08.2023)	Rev BIMA	18.00	19.62	blr ST 3
	SDB Baim	7.54	7.88	
	FDBP	1.44	1.44	
	Rev BTB/LC/ABP	80.00	51.31	

**Financial Based on-** unaudited financial statement up to 30 June of up to 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'A-' (pronounced as Single A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to Italy Footwear Limited (hereinafter referred to as 'IFL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL also reaffirmed "blr ST 3" (Pronounced as Bank Loan Rating Short Term Three) for aggregate long term outstanding and aggregate short term investment limit.

The above ratings have been assigned based on the fundamentals of the company which include good infrastructural arrangement, experienced management, good payment history of loan, and incentive facility. However, the above factors are constrained to operational bottleneck due to remarkable down trend in profitability, stress liquidity position and poor quality of financial statement. It is also remarkable that if the company will not be fully compliant and profit will be in same trend the further credit rating may down grade.

The long term rating implies that the entity is subject Moderately good 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 IFL 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