

8th SURVEILLANCE CREDIT RATING REPORT
BAY FOOTWEAR LIMITED

Ref. no.: CRA/2023/1050



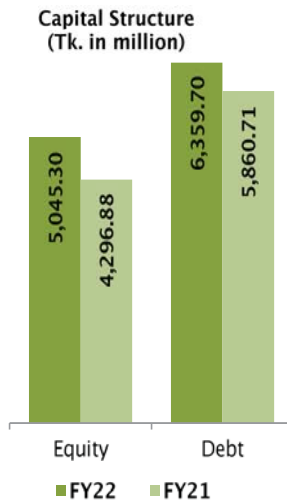
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Key Snapshot:

Tk. in million

Particulars	FY'22	FY'21
Revenue	8892.94	7133.67
COGS	8029.88	6388.28
Gross Profit	863.05	745.39
PAT	748.54	824.07
Total Assets	11405.0	10157.6
Total Equity	5045.30	4296.88
Total Liabilities	6359.72	5860.71
Net Profit Margin (%)	8.42	11.55
CCC (Days)	132	149
Debt to Equity (X)	1.26	1.36
ICR (X)	6.80	13.44



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A+	ST 3	Stable	31 December 2023	31 December 2024

Tk. in Million

Banks Name	Investment Facilities	Limit Amount	Outstanding Amount	Bank Loan Rating
One Bank Limited(30.11.2023)	SLC/ULC	300.00	3.60	blr ST 3
	BBLC Rev	(290.00)	280.10	
	Time Loan Rev	550.00	103.00	
	Overdraft Rev	(40.00)	228.20	
	Bank Guarantee Rev	10.00	5.10	
Eastern Bank Limited(30.11.2023)	Time Loan	250.00	0.00	blr ST 3
	Term Loan	412.73	412.73	
	Letter of Guarantee	10.00	1.30	
	Demand Loan	500.00	500.13	
	Overdraft	100.00	99.38	

Financial Based on– Audited financial statements up to 30 June 2022, 2021, 2020.

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

RATING RATIONALE

WCRCL has reaffirmed **A+** (pronounced as Single A Plus) rating for the Long Term and **ST 3** (pronounced as Short Term Three) rating for Short Term to **Bay Footwear Limited** (hereinafter referred to as 'BFL' 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 amount.

The above ratings have been assigned based on the fundamentals of the company which include sponsors have good knowledge about their business, good payment history of loan, satisfactory health and safety measures, positive business trend, and manufacture world famous shoe brand Timberland and Clark. However, the above factors are constrained to operational bottleneck due to highly levered company, low quality of financial statements, lower profit margin, highly levered concern, tight liquidity position with long cash conversion cycle, and lack of insurance coverage.

The long term implies that the entity has very good credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with **Stable** outlook and believes that **BFL** 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.