

INITIAL CREDIT RATING REPORT
OLIVE FOOTWEAR AND FASHION LIMITED



Ref. no.: FR/2023/033458

Report Contents:

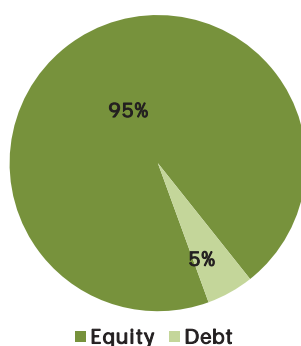
Particulars	Page
Rating Rationale	1
Corporate Profile	2
Management Evaluation	2
Business Analysis	2
Financial Position Analysis	3
Risk Factor Analysis	4
Rating Observation	4

Key Snapshot:

BDT. In Million

Particulars	FY23
Revenue	105.03
EBIT	3.12
Net Profit	1.58
Total Assets	57.00
Total Equity	54.08
Total debt	2.93
Net Profit Margin (%)	1.5
CCC (Days)	99
ICR (X)	17.81

Capital Structure
(BDT. In million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 September 2023	04 September 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Company Three) rating under the SME Rating to Olive Footwear And Fashion Limited (hereinafter referred as "OFFL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

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

- Experienced and skilled management
- Good business network
- Maintained sound business relation with supplier & buyer
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Low disclosure in the financial statements
- Small scale in the business
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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

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