

SURVEILLANCE CREDIT RATING REPORT SOUTH AVENUE LIMITED



Ref. no.: FR/2023/030909

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	07 May 2023	06 May 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Bank Asia Limited	Overdraft	25.00	25.51	03.04.2023

Tk. in Million

Financial Based on unaudited financial statements up to 2022.

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

Key Snapshot:

Tk. in million

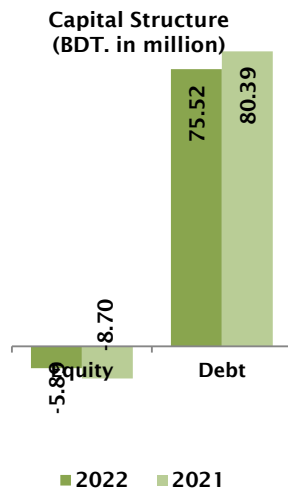
Particulars	FY22	FY21
Revenue	60.37	32.46
Net Profit	6.28	2.74
Total Assets	2.81	-1.22
Total Equity	69.62	71.69
Total Liabilities	-5.89	-8.70
Net Profit Margin (%)	75.52	80.39
Current Ratio (X)	4.7%	-3.7%
ICR (X)	280.84	595.53

RATING RATIONALE

WCRCL has downgraded to 'WCRSE 4' rating (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to South Avenue Limited (hereinafter referred as "SAL" 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 have been assigned based on the fundamentals of the company which includes experienced Management, satisfactory banking behavior, good collateral security arrangement. selling point on owned premises, established customer network. However, the above factors are constrained to some extent by poor disclosure of financial statements to review and analyze the true financial attributes, negative Net worth, highly levered capital structure, stressed liquidity position due to high pile up of inventory, no insurance coverage.

The SME rating implies that the company is adjudged average level of credit worthiness in relation to other SEs/MEs.

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



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