

SURVEILLANCE CREDIT RATING REPORT AHYAN HOTEL AND RESORTS LIMITED

Ref. no.: FR/2023/030544



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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB2 (Indicative)*	10 April 2023	09 April 2024

*This assigned rating given up to debt amount of Tk. 1575.00 million.

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

RATING RATIONALE

WCRCL has reaffirmed to “BBB2 (Indicative)” (pronounced Triple B Two Indicative) in the long term to Ahyan Hotel and Resorts Limited (hereinafter referred as “AHRL” or “The Project”) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that AHRL is subject to medium credit risk. This is considered to be medium grade and as such may possess certain speculative characteristics.

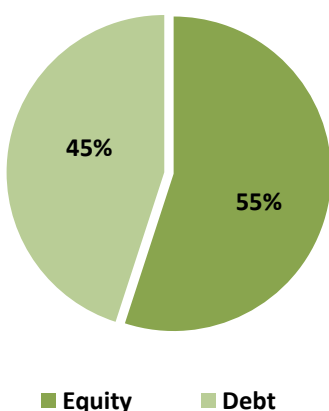
Ahyan Hotel and Resorts Limited is rated in investment grade is subject to medium credit risk due to favorable condition regarding market outlook, management experience, land procurement, credibility, and locational advantage. Earlier mentioned variables are considered positive factors while assigning the rating, because market outlook of hospitality industry now favorable in Bangladesh. Land already procured, title is also transferred to the company’s name. Project will enjoy some locational advantage like near to highway, good transportation system etc. Despite these positive factors few speculative elements like- funding and implementation pose substantial credit risk. Project cost structure revealed moderate portion of debt may expose moderate risk in response to equity investment. Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next period.

Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next six month period. Total project cost is estimated at Tk. 4,108.30 million of which Tk. 1,850.00 million financed by bank borrowing. The company has borrowed fund from Rupali Bank Limited at the ratio of Debt-Equity of 45:55%. The loan amount will be expended on importing capital machinery and building construction. This rating may be revised subject to successful implementation and debt proportion in line with the sponsor’s equity investment or changes in any macro factors along with micro factors in the economy. However, there are risks associated with efficient utilization of fund for the project, and project implementation within due time frame.

Project Cost:

Particulars	Tk. in million
Land	75.00
Building & Civil Construction	1,480.76
Decoration	654.36
Machineries	1,676.79
Vehicle for tour and Transport	137.40
Consultancy Fees	113.80
Advertisement	30.00
Security Deposit	8.19
Pre Operating Expenses	7.00
Total Cost of the Project	4,108.30

Means of Finance



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