

# INITIAL CREDIT RATING REPORT ASCOTT THE RESIDENCE LIMITED

Ref. no.: FR/2023/30256



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	12 March 2023	11 March 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
National Bank of Pakistan (28.12.2022)	Term Loan (OD)	54.67	48.80	blr BBB3
First Finance Limited (30.11.2022)	Term Loan	7.50	6.96	blr BBB3

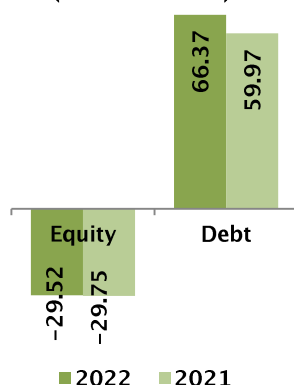
*Financial Based on– Management prepared financial statements up to 30<sup>th</sup> June 2021 and 2022.*

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

## Key Snapshot:

Particulars	FY22	FY21
Revenue	23.98	22.07
EBIT	0.38	1.12
Net Profit	0.23	-0.69
Total Assets	36.85	30.22
Total Equity	-29.52	-29.75
Total debt	66.37	59.97
Net Profit Margin (%)	1.0%	-3.1%
Debt/Equity (X)	-2.02	-2.25
ICR (X)	48.67	0.67

Capital Structure  
(BDT. in million)



## RATING RATIONALE

WCRCL has assigned 'BBB3' (pronounced as Triple B Three) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **Ascott The Residence Limited** (hereinafter referred to as 'ATRL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB3' (pronounced as Bank Loan Rating Triple B Three) rating to the long term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management team, enjoy Locational advantage i.e. near international airports, sound infrastructure arrangement, good facilities and arrangement, comfortable liquidity position of the company supported by high cash transactions and good banking conduct.

However, the above factors are constrained by, no disclosure in the financial statements, management prepared financial statement does not support high level of authentication, high leverage in the capital structure, high dependency on external borrowings, reputation and brand image risk and quality maintenance risk.

The long term rating implies that the entity is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the entity has significant speculative characteristics. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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

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