

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT ARCADE REAL ESTATE LIMITED

Ref. no.: FR/2023/022908



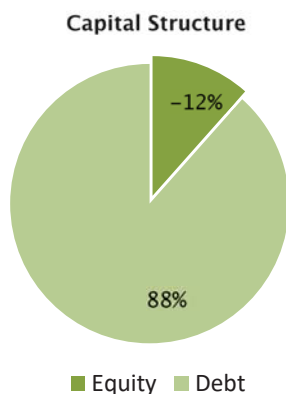
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## Key Snapshot:

*Tk. In million*

Particulars	2021	2022
Revenue	78.47	13.70
EBIT	15.55	1.11
Net Profit	9.30	-0.72
Total Assets	338.26	11.47
Total Equity	185.15	-1.63
Total Liabilities	153.10	12.46
Net Profit Margin (%)	11.85	-5.22
Current Ratio (X)	2.16	0.88
Debt to Equity (X)	0.82	-7.61



## Analysts:

**Monira Islam**  
monira@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	03 October 2023	02 October 2024

**Financial Based on**–Unaudited financial statements on 30 June 2022, 2021.

**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to **Arcade Real Estate Limited** (hereinafter referred to as 'AREL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the company 19 projects already handed over and four ongoing projects, Experienced and proactive management, membership of REHAB, Good portion of advance from customer which is completely free of interest. However, the above factors are constrained to some extent by moderate working capital requirement, lack of commercial advertisement, net loss in operation, negative debt to equity ratio, and Tight liquidity position with long cash conversion cycle, and poor disclosure in financial statements. Rating may downgrade if financial performance will not change in next year.

The SME rating implies that the company has above average level of credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AREL 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.