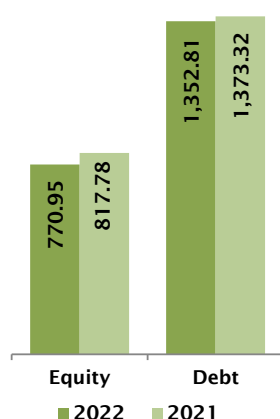


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## Key Snapshot:

Tk. in million		
Particulars	FY22	FY21
Revenue	362.6	381.7
Operating Exp.	288.3	283.2
EBIT	74.34	98.58
Financial Exp.	27.17	29.27
Net Profit	25.41	46.40
Total Assets	2,123	2,191
Total Equity	770.9	817.7
Debt	1,084	1,063
Net Profit Margin (%)	7.00	12.20
Current Ratio (X)	0.64	0.66
Debt/Equity (X)	1.75	1.68
DSCR (X)	2.74	3.37

Capital Structure  
(BDT. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	27 December 2022	27 December 2023

Tk. in Million				
Bank	Mode	Disbursed Amount	Outstanding Amount	Bank Loan Rating
Agrani Bank Ltd. (25.12.2022)	Term Loan	125.76	113.89	blr BBB3
AB Bank Ltd. (30.11.2022)	Term Loan	88.81	93.99	blr BBB3
IPDC Finance Ltd. (25.12.2022)	Lease Finance	24.30	18.24	blr BBB3
Aviva Finance Ltd. (26.12.2022)	Lease Finance	130.00	15.88	blr BBB3

**Financial:** Based on Management prepared financial statements up to 30 June 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'BBB3' (pronounced as Triple B Three) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **R & R Aviation Limited** (hereinafter referred to as '**R&RAL**' or '**The company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also reaffirmed '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, revenue was increased in phase with positive growth, subsidiary of a one of the largest conglomerate in the country, strong group support, good interest coverage position, presence of fire insurance policy for every aircraft and helicopter, updated air worthiness certificate in domestic and international route permit.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, highly levered capital structure and stressed liquidity position considering high current liabilities, profitability margin were decreasing pattern, high maintenance of aircrafts, moderate banking relationship.

The long term rating implies that the company 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 company is regarded as having some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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