

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT BABUS SALAM SKY AIRWAYS

Ref. no.: CRA/13422/2023



## Report Contents:

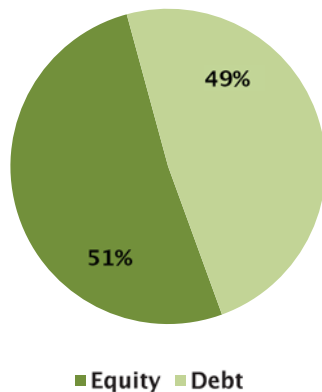
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## Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	122.58	135.60
EBIT	9.62	11.00
Net Profit	7.60	9.40
Total Assets	50.66	55.20
Total Equity	31.80	36.30
Total debt	18.86	20.70
Net Profit Margin (%)	6.20	6.93
CCC (Days)	59	61
ICR (X)	8.19	18.33

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 2024

Financial Based on-Unaudited financial statements up to 30 June 2022, 2021, 2020.

**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 **Babus Salam Sky Airways** (hereinafter referred as "BSSA" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has adjudged to above average level of credit quality.

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