

SURVEILLANCE CREDIT RATING REPORT R & R HOLDINGS

Ref. no.: FR/2023/031782



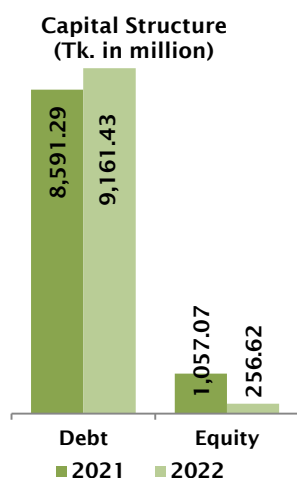
Report Contents:

Particulars	Page No.
Rating Rationale	01
Business Profile	02
Group Profile	02
Business Management	03
Market Review	04
Business Analysis	04
Financial Strength Analysis	06
Banking Relationship	07
Risk Factor Analysis	07
Rating Observations	08

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	2,733.92	3,037.69
Gross Profit	1,162.94	1,292.16
Operating Profit	1,161.06	1,290.06
Net Profit	299.55	475.75
Assets	9,418.06	9,648.37
Equity	256.62	1,057.07
Debt	9,161.43	8,591.29
Net Profit Margin (%)	10.96	15.70
Debt/Equity (X)	35.70	8.13
DSCR (X)	1.41	1.67



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Bank Loan Rating	Rating	Outlook	Date of Declaration	Date of Expiration
	blr BBB3	Stable	12 June 2023	27 June 2024

Bank Name	Mode of Investment	Disbursed Amount	Outstanding as on 31.05.2023	Bank Loan Rating
IFIC Bank Limited	Term Loan-I	945.10	1,146.48	blr BBB3
	Term Loan-II	891.16	883.60	
Janata Bank Limited	Term Loan	1,000.00	1,734.80	blr BBB3
First Security Islami Bank Limited	HPSM	1,371.58	1,607.05	blr BBB3
AB Bank Limited	Term Loan	2,570.37	3,842.57	

*blr- Bank Loan Rating

Financial Based on Unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'blr BBB3' (pronounced as Bank Loan Rating Triple B Three) rating for the Long Term loan outstanding to **R & R Holdings** (hereinafter referred to as '**RRH**' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which include have strong group support of '**Sikder Group**' and experienced and proactive management, good profitability position.

However, the above factors are constrained to operational bottleneck due to highly levered capital structure, tight liquidity position and low disclosure in the financial statement, business operation might be hampered due to adverse effect of COVID-19, market outlook derived tight related to real estate industry, poor banking conduct with bad loan status.

The bank loan rating implies that the entity rated in this category is adjudged to medium credit risk. It is considered medium grade and as such may possess certain speculative characteristics.

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