

Credit Rating Report M/S Kh. Mainul Islam

Rating

Long Term : **BBB₃**
Date of Rating : 11 April 2010
Valid Till : 30 June 2010

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Financial Highlights

Particulars	2007	2008
Capital	26.63	54.42
Total Asset	78.70	248.41
Turnover	325.46	309.71
Income	28.48	54.50
Net Worth	54.42	108.93
Current Ratio (X)	7.80	2.30
D/E Ratio (X)	0.31	0.37
Interest Coverage Ratio (X)	15.07	19.17
Gross Profit Margin	15.36%	26.15%
Net Profit Margin	8.75%	17.60%
Return on Sales	9.70%	18.91%
Return on Asset	36.18%	21.94%
Return on Equity	52.32%	50.04%

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned '**BBB₃**' (Pronounced Triple B three) rating in the Long Term to M/S Kh. Mainul Islam (hereafter referred to as KMI) in view of the performance of the Company for the business year 2008 and other relevant information.

Corporate entities rated '**BBB₃**' in the long term belong to 'adequate capacity' cohort. Companies rated in this category have adequate capacity to meet financial

commitments but are more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.

CRAB has performed the present rating assignment based on audited financial statements of December 2008 and other relevant information. The rating also takes into account business profile, past record and trend of operating performance, balance sheet strength and loan payment history of KMI.

M/S Kh. Mainul Islam (KMI) is a 1st class government contractor, importer and supplier, started construction business in 1978. It is enlisted with different government and Semi-Government and autonomous organizations. In the last five years, KMI has completed construction work of BDT 594.34 million. Total volume of BDT 437 million is work in process. KMI has performed 63% work of Bangladesh Water Development Board (BWDB) amounting BDT 373.34 million of his total volume of work of last five years. It executes the works by using own construction equipments and can also use on hire basis from different Government organizations. KMI has 17 permanent employees to operate construction works. KH also hires experienced technical personnel, as he requires KMI maintains banking relationship with Jamuna Bank Limited. Its limit is BDT 280.50 million. He has no overdue and loan reschedule in either bank. KMI can avail maximum 25%-30% loan facility against a project and according to the agreement; all bills are collected by the bank. Therefore, bank bears minimal risk.