



EMERGING
Credit Rating Ltd

M/S Meem Enterprise Credit Rating Report

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
December 27, 2012	December 26, 2013	Initial	BBB- (Equivalent Entity)	ECRL-3	Stable

Year of Commencement : 2005

Proprietor : Mr. Abdur Rashid

Equity : BDT 0.29 million

Total Assets : BDT 57.77 million
Fixed Asset : BDT 0.12 million
Current Asset : BDT 57.65 million

Bank : Islami Bank Bangladesh Ltd. (Uttara Branch)

Bank loan outstanding : Bai-Murabaha/Murabaha –TR **BDT 16.54 million**
(As at September 29, 2012)

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**Credit
Analysis**

Corporate Rating

2012 Initial Review

M/S Meem Enterprise

Major Rating Factors

Strengths

- Exclusive sales agent of FORME Brand mobile phone.
- Large sales and distribution networks.
- Technical support engineers from Hong Kong for after sales support.

Challenge Risks

- Government further increment of import cost.
- Lack of advertising and brand promotion.
- Absence of market intelligence.

Rationale

Emerging Credit Rating Limited (hereafter referred to as 'ECRL') has assigned **BBB-** (Pronounced as Triple B Minus) long term credit rating and **ECRL-3** short term credit rating to the M/S Meem Enterprise (hereafter referred to as 'MME' or 'the firm') for Islami Bank Bangladesh Ltd's short term investment (BDT 45.00 million). The outlook of the rating is **Stable**. Although the firm does not have any long term bank investment, Emerging Credit Rating Limited (ECRL) has assigned an equivalent long term entity rating of **BBB-** (Pronounced as triple B minus) after the analysis of the firm's financials and other qualitative information. The ratings are consistent with ECRL's methodology for this type of business. ECRL considered financial performance, scale of business, management experience and prospect of the industry while assigning the rating. The rating is based on audited financial statements of FY 2009-10 and unaudited FY 2012-11 (June year ended), site visit, bank performance and other relevant qualitative information up to December 20, 2012. The assigned rating reflects the strength covering better market share with increased revenue growth and bank payment pattern. However ECRL is concern about the firm weak financial reporting, negative cash flow trend, liquidity position and high leverage position.

M/S Meem Enterprise is a proprietorship concern having its head office located at Hatirpool Dhaka. MME has been in operations since 2007. M/S Meem Enterprises imports and distributes china mobile phones as an exclusive distributor of 'FORME' communication and technology Limited Hang Kong. FORME is flagship product of the mother company. The firm has membership with Bangladesh telecommunication regulatory commission. MME's on average annual mobile sets imports value BDT 208.97 million. With current revenue its market shares closed to 4% among top five branded cell phone distributors or manufacturer. MME's has strong distribution and supply chain networks across Bangladesh. MME's revenue geared up from FY 2011 after expansion in business through introduction of new products. In FY 2012 its revenue growth reduced from last financial year still it was better for any business as a positive effect of branding strategies of FY 2012-11. In spite of good revenue growth its profit margins are pretty low for a business and industry as whole as importing cost and operating cost along with finance cost very high during the FY 2011 and FY 2012. MME's return of Equity of FY 2011 & FY 2012 were pretty high; as the firm withdraw draw more than investment. ROA has improved to 6.11% in FY 2012 compared to 5.08% of FY 2011.



Inventories, cash in hand and bank and trade payables attributed major portion of the current ratio. Current ratio of last two financial years was steady and quick assets ratio pretty low for the industry practice; which is a concerning issue for this business to improve. Lower quick assets ratio representing the firm has greater portion of inventory stocks of mobiles during this time. Cash conversion cycle of the firm relatively very low where its import payments were not properly reflecting L/C payment period. Mobile importing business required high capital which mostly finance by bank and its leverage ratio were very high though reduced to 59.71 times in FY 2012, representing high dependency on external debt than own finance.

M/S Meem Enterprises outstanding liability position was BDT 16.54 million as L/C/BILL/MPI/Bai-Murabaha investment facility out of BDT 45.00 million limit of Islami Bank Bangladesh Limited, Uttara Branch. It utilized 82.70% investment limit of Murabaha on the other hand Murabaha -TR limit BDT 25.00 million not utilized. Other than IBBL it also availed other financial institutes financing facility where it's outstanding SME loan BDT 2.95 million as on December 9, 2012 against the limit of BDT 4.60 million, which was availing since 2009 to meets its working capital requirement. MME has banking relationship with IBBL Uttara Branch before 2009, where it has no record of missed installment payments; on the other hand by early paid its got rebate. There was no default record found other financial institutes also. However this credit rating evaluation only for the credit limits availed by the firm from IBBL.

ECRL views M/S Meem Enterprise's outlook as **Stable** due to present business growth with current business line, current business setup and goodwill of the owner.

Exhibit 1: Financial Highlights: M/S Meem Enterprise

FYE: June	2012	2011	2010	2009*
Revenue (BDT in millions)	569.44	202.79	0.74	2.68
Cost of Goods Sold (BDT in Millions)	538.12	191.63	(0.40)	-
Net Profit After Tax (BDT in millions)	3.53	1.77	0.76	2.25
Gross Profit Margin (%)	5.50	5.50	154.11	100.00
Operating Profit Margin (%)	1.55	1.91	111.04	100.00
Net Profit Margin (%)	0.62	0.87	102.50	83.99
Current Ratio	1.00	1.00	0.06	1.10
Cash Conversion Cycle (Days)	13	18	-	-
Debt to Equity Ratio	59.71	217.81	(1.07)	8.75
Interest Coverage Ratio	1.67	2.05	-	-
ROA (%)	6.11	5.08	40.61	17.82
ROE (%)	1,202.07	1,487.92	(2.86)	173.80
CFO (BDT in Millions)	(21.06)	(18.46)	0.76	-

Data obtained from audited financial statements of 2011-12.

**2009-10 data obtained from unaudited financial statements*



A. BUSINESS DESCRIPTION

A.1. Firm Background

M/S Meem Enterprise is a proprietorship concern, having its head office at Motaleb Tower, Hatirpool Dhaka with show room is located at 580, Motaleb Plaza 4th floor Hatirpool, Dhaka. M/S Meem Enterprises has been in operations since 2007, Importer wholesale Distributor of all kinds of Mobile phones & electronics. M/S Meem Enterprise imports and distributes FORME branded China mobile phones directly imported from FORME Communication and Technology Limited Hongkong. The firm has membership with Bangladesh telecommunication regulatory commission. Its objective is to established its brand into marketplaces and increase market share.

A.2. Product portfolio and distribution network

M/S Meem Enterprise is a distributor of mobile phones. These products are imported from Hongkong & China. The distribution network of the company is divided between seven different zones – Dhaka, Chattagong, Rajshahi, Khulna, Sylhet and Barisal, Mymensing. It has two wear warehouses situated at same place of the office and show room consisting of 600 sqft. & 1,000 sqft respectively with 37,000 mobile sets storing capacity.

Exhibit 2: Distribution network zone wise: M/S Meem Enterprise

Zone	No. of Resellers	Zone	No. of Resellers
Dhaka	21	Sylhet	14
Chittagong	25	Barishal	11
Rajshahi	19	Mymensingh	15
Khulna	16		

Exhibit 3: Products details: M/S Meem Enterprise

SL o.	Brand Name	Model	SL No.	Brand Name	Model
01.	FORME	T-2	06.	FORME	F-10
02.	FORME	N-67	07.	FORME	Sunny
03.	FORME	C-100	08.	FORME	M-20
04.	FORME	C1 Plus	09.	FORME	U-600
05.	FORME	F-9			

Exhibit 4: Buyers and Competitors List: M/S Meem Enterprise

Buyer	Competitors
A K mobile corner	ANZ communication
Aziz telecom	A Rahman electronics
Amena Telecom	G-five

A.3. Marketing & Technical Assistance

The firm is maintaining its utmost efforts for marketing and branding; for these reason 23 sales people working as a team to achieve organization's objective.

MME's promises technical assistance for its products for both indoor and outdoor services. There is a unique board level component repair facility and service centre available across Bangladesh. MME's capable of repair and maintenance activities of its products supported by its service centers are available in different region in Bangladesh. MME's an exclusive distributor of FORME Communication and Technology Limited of Hongkong on which it provides all technical assistance and supports with their technician. A total of 30 engineers on which eight in Dhaka and rests devoted different territory in Bangladesh for after sales support. Apart from that the firm does provide one year warranty for mobile handset and 6 months after sales services for battery and charger accessories.

B. INDUSTRY ANALYSIS

B.1. Mobile phones

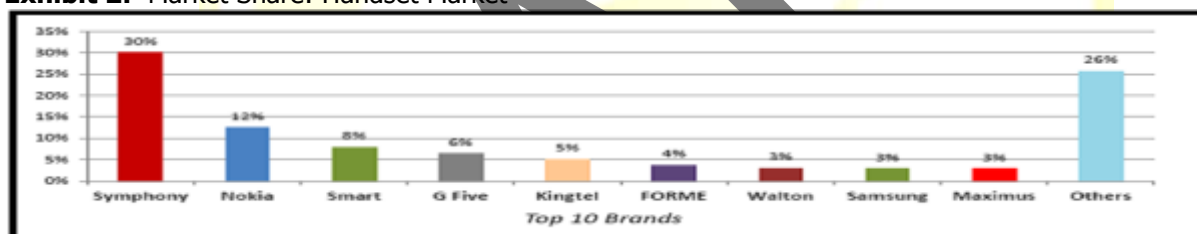
Each month at least 15 lakh new mobile handsets enter Bangladesh, according to an estimate of the country's importers. A number of pirated mobile handsets land in the market, which are beyond official accounts. According to Bangladesh Mobile Phone Importers Association, almost 40 percent of the imported mobile handsets are counterfeited. Industry people say the number of pirated handsets

arriving in Bangladesh will be not less than 6.5 lakh per month, depriving the end-users of the experience only an original device can offer. Instead of having Mobile import tax 67%, importers say basically the users of the pirated handsets are from rural areas. One can easily get a handset carrying a fake label of a world-class brand just at Tk 5,000 to Tk 7,000. Sometime the importers of pirated sets copy the warranty cards, putting more hassles on the service centers. Serious security concern is also related to the pirated phone sets. The importers of pirated sets also dodge tax. Mobile importers claim a number of people import devices through illegal means as the 12 percent import tax is high. Leaders of the importers' association said when the government imposed a tariff of Tk 200 per handset; about 93 percent of all sets arriving in Bangladesh came through formal channels. In line with the current budget, handset importers have to pay 12 percent duty on the value of a handset. Duty on the value of a handset allows importers to dodge government revenues. Handset prices fluctuate on the global market. With the current tax structure in place, the number of imported mobiles was 44 lakh in the first eight months of the current fiscal year. In 2008-09, traders imported 64 lakh handsets and mobile accessories.

B.2. Mobile Handset Market

According to BIS Shrapnel research, Bangladesh's mobile handset market is dominated by first-time users (nearly 85%), as the country is still in its infancy in terms of mobile phone usage. Further, 80% of the handset market is dominated by ultra-low to low-end handsets, available for less than US\$68, due to the country's low per capita income levels. Symphony is the market leader with 30% market share in the mobile handset industry in Bangladesh. As with many other Asia-Pacific countries, after the local brand Symphony, the Bangladesh mobile handset market is predominantly captured by global handset giant Nokia with approximately 12% market share, while G'FIVE captured 6% of the market share and FORME 4% market shares competing to take over the third position of the market share.

Exhibit 2: Market Share: Handset Market



Source: NBR, Bangladesh Customs

According to the BMI forecast, mobile subscribers will be 194.99 million by 2015, representing a mobile penetration rate of 110.59%, surpassing the 100% for the first time. Total import of cell phone handsets over January 2011 – January 2012 was 18.82 units whereas 2.24 million units were imported in Q1 of 2012, a drop of 71% from the same time last year. Of these imported handsets, 48% were priced under US\$ 16 and only 1% was priced over US\$ 80, showing that inexpensive mobile sets are vastly more popular in the market compared to pricier sets with more elaborate features.

C. BUSINESS RISK ANALYSIS

C.1. Exchange Rate Risk

Bangladesh has had to import significant volume of mobile phones and mobile accessories. This has placed additional pressure in the foreign exchange which had led to the significant depreciation of the BDT. MME imports most of the accessories from overseas market in high volumes which is mainly from china. As such the company has had to bear additional burden in procuring materials from international sources as cost of procurement had risen. The exchange rate USD/BDT in October 2012 81.33 was higher in February 2012 which was 84.38. In spite of the decline in USD/BDT exchange rate 2012 importers enjoy less cost of their imported mobiles accessories items during the year.

C.2. Operational Risk

As the nature of the business is import & distribution of mobile accessories, operational risks are relatively low. The primary risks involved for businesses of this category are theft and fire. The company stores its inventory in its warehouses and shops. Against these risks, MME has its goods insured with Islamic Insurance Bangladesh Limited which is valid till June 19, 2013.



C.3. Supply Chain Risk

Businesses are at risk of buying low quality mobiles accessories- battery, chargers and software following increased instances of fraud. However, the company purchases its items in bulk directly from China which liaison office exist in Bangladesh which ensures product guarantees & its after sales services and gives 100% assurance for damage products reimbursement. As purchases are made without the inclusion of middlemen, risks of delivery of fake items by its suppliers are minimal.

C.4. Market Risk

The market structure of the incumbent industry is operating in oligopolistic industry, in which increase in price of related products may cause to eliminate from the mobile accessories market. With the presence of number of consortium consisting of sellers of mobile accessories & parts, the price setting ability of companies like MME and profit margin on mobile accessories are restricted. Whilst prior attempts have been made, disagreements and mistrust between the major players have resulted in its discontinuation. MME counteracts this restriction with allocating major percentage of its operating expenditure on the marketing promotion of its product line thereby creating a brand value of its products.

C.5. Product Failure Risk Mitigation

Quality of Mobile usually falls under categories of A,B,C,D,E, in Which categories B & C, often used for Pakistan, Bangladesh, Indian markets and categories A, for European countries. A mobile charger, battery, headsets with low categories usually has low costs included chips that leave the battery and charger perform less efficiently. However Chinese manufacturer determines quality on the basis of amount buyer willing to spend for it. However with low quality products offers less prices and high quality products usually have good prices. MME's generally Imports high quality products which is fall in grade 'A' products From authorized supplier from Forme communication and technology Limited.- Hankong which provide 24/7 standby engineers to support technical assistant and after sales services Nevertheless if any quality issues or technical problem is noticed, supplier's compensation is sought.

C.6. Threats of Competitors

With a boom in the technology sector, there has tremendous growth in the cell phone industry thus effects cell phones accessories as well. Various companies have come out with cell phones with various features that are setting new standards for the existing and new entrants. For instance, the introduction of Smartphone, I-phones, Tabulate, android mobiles has revolutionized the cell phone industry that prompted other cell phone manufacturers to generate ideas for I-phones and Smartphone, android, tabulate thus creating demand for I-phones and tabulates and android come up with new features and 2 years warranty. The change in trend in the cell phone industry has intensified the competition among the various cell phone and accessories manufacturers. Also the product prices in the mobile handsets are going down which is making the business more competitive.

C.7. Regulatory Risk

Every country has a governing body that inspects imported products abiding by inspection rules. In Bangladesh, Bangladesh telecommunication regularity commission that governs the telephones and mobiles operators and Ministry of Commerce which enforces customs and inspection rules of imported goods. Companies importing handsets must ensure they follow the necessary rules to avoid conflicts with the government. Any changes in regulatory framework may put adverse effect on MME's business. But now-a-day's mobile phone has become part of essential commodity and government has imposed additional duty and surcharges results increased import duty on mobile phones and mobile phones accessories. Moreover, government has announced to reduce additional tax on imported mobile accessories into the end of year 2012 in consideration with product affordable to the lower income people.

D. FINANCIAL RISK ANALYSIS

The rating process was based on qualitative aspects which are based on the company's policies in relation with the operating strategies, financial leverage, and ultimate financial goals of the firm. For this purpose of the overall financial risk assessment of the firm, ECRL divided the financial portion into five different criteria which are Profitability Analysis, Liquidity Analysis, Cash flow Analysis, Asset Management, Capital Structure, and overall Financial Flexibility. Detailed analysis is presented below:



D.1. Profitability

Exhibit 5: Selected Indicators: M/S Meem Enterprise

FYE : June	2012	2011	2010*	2009*
Revenue (BDT in millions)	569.44	202.79	0.74	2.68
Revenue Growth (%)	180.81	27,194.66	(72.28)	
COGS (BDT in Millions)	538.12	191.63	(0.40)	-
Net Profit/(loss) After Tax (BDT millions)	3.53	1.77	0.76	2.25
Gross Profit Margin (%)	5.50	5.50	154.11	100.00
Operating Profit Margin (%)	1.55	1.91	111.04	100.00
Net Profit Margin (%)	0.62	0.87	102.50	83.99
ROA (%)	6.11	5.08	40.61	17.82
ROE (%)	1,202.07	1,487.92	(2.86)	173.80

Data obtained from audited financial statements of 2011-12.

*2009-10 data obtained from unaudited financial statements

MME's revenue growth in FY 2011-12 was significantly better than FY 2010 as a positive impact of business expansion by introduction of new products with existing business. The brand already holding 4% of total market share; where significant changes have been noticed revenue of FY 2012-11. This reflection also found cost of goods sold as result its GPM, OPM and NPM very low percentage over the revenue that really a concerning issue for the firm. For the better return it should work for the gear up its yearly profit as well as own financing.

D.2. Liquidity Analysis and Cash-flow Coverage

Exhibit 6: Selected Indicators: M/S Meem Enterprise

FYE : June	2012*	2011	2010*	2009*
Cash Ratio (x)	0.09	0.07	0.69	0.68
Current Ratio (x)	1.00	1.00	0.06	1.10
Quick Assets Ratio (x)	0.74	0.60	0.04	0.75
Cash Conversion Cycle (days)	13	18	-	-
CFO (BDT in millions)	(21.06)	(18.46)	0.76	-
CFO Interest Coverage (x)	-	(10.18)	-	-

Data obtained from audited financial statements of 2011-12.

*2009-10 data obtained from unaudited financial statements

Liquidity position of the firm not in the level of industry average for gets a view of satisfaction. Inventories, cash in hand and bank and trade payables attributed major portion of the current ratio. Increase in cash in hand and bank by 99.20 percent & inventory by 234.30 percent and trade payables by 138.5% was the main reason for the company's current asset ratio to improve from 1.00 times in FY 2011 to 0.06 times in FY 2009 and remain consistent in FY 2012. However, during last two years MME's could somehow managed current assets to meet it current obligations quick asset ratio has declined as compared to previous as entity has greater portion of inventory stocks of mobiles during this time. In spite of poor liquidity position in FY 2009-10 management statements For the betterment of the firms the management should work for the improvement of the liquidity position.

The firm's cash flow from operation position has effected badly during the FY 2012-11 which has noticed cash outflow has higher than cash inflow from it business operation. However MME has to formulate its business and financing strategies streamlines such a manner to better off its cash position in business.

D.4. Leverage & Capital Structure

Exhibit 8: Selected Indicators: M/S Meem Enterprise

FYE : June	2012	2011	2010*	2009*
Debt-to-Equity (x)	59.71	217.81	(1.07)	8.75
OPBIT Interest Coverage ratio (x)	1.67	2.05	-	-
Total Liabilities to Total Assets (x)	0.99	1.00	15.19	0.90
Net Asset Value (BDT in millions)	0.29	0.12	(26.61)	1.30

Data obtained from audited financial statements of 2011-12.



*2009-10 data obtained from unaudited financial statements

In the year FY 2012-11, introduction of working capital bank finance resulted in higher debt in the firm's capital structure than its equity. However being capital intensive business MME's capital requirement is usually high. Debt equity ratio decreased to 59.71 times in the FY 2012, still very high, which required improve by own financing to be in the safe side. The firm's total liability to total asset has improved significantly from prior year from 15.19 times of FY 2011 to 1.00 times in FY 2012 which depicts high debt paying ability and leaving enough cushion for its creditor.

D.5. Bank Facilities & Credit History

Exhibit 9: Bank Facility M/S Meem Enterprise (BDT in Millions)

Bank & Mode	Total limit	Outstanding liability as on	
		December 26, 2012	September 29, 2012
Islami Bank Bangladesh Limited			
L/C/BILL/Bai-Murabaha	20.00	12.08	16.54
Murabaha-TR	25.00		
MPI		19.95	
Subtotal	45.00	32.03	16.54
Other financial Institute		December 09, 2012	
SME	4.60	2.95	
Grand Total	49.60	34.98	

M/S Meem Enterprises outstanding liability position was BDT 16.54 million as L/C/BILL/MPI/Bai-Murabaha investment facility out of BDT 45.00 million limit of Islami Bank Bangladesh Limited, Uttara Branch. It utilized 82.70% investment limit of Murabaha on the other hand Murabaha -TR limit BDT 25.00 million not utilized. Other Financial Institutes outstanding SME loan BDT 2.95 million as on December 9, 2012 against the limit of BDT 4.60 million. MME is also availing side by side of IBBL other financial institute's credit facility since 2009 to meets its working capital requirement. MME has banking relationship with IBBL Uttara Branch before 2009, where it has no record of missed installment payments on the other hand by early paid its got rebate. This credit rating evaluation only for the credit limits availed by the firm from IBBL.

D.6. Collateral

The firm has kept registered mortgage in respect to the bank facility availed from IBBL, Uttara branch. The table below illustrates its market value (MV) and forced sale value (FSV) as valued by IBBL, which is lower than the value stated in the valuation report valued by Islamic Bank Bangladesh Ltd. at BDT 28.02 million (FSV). In addition to the registered collateral, personal guarantee of proprietor, post dated cheques and lien over goods have been managed by other financial institute.

Exhibit 10: Registered List of collateral for the bank facility (amount BDT in Millions)

Particulars	Collateral		
	Land in decimal	MV	FSV
Land with five storied foundation of 2 two storied building (3,200 sft.) owned by the wide of proprietor)	4.125	15.40	12.30
1414.50 sft. land with (1514.50sft.) apartment with five storied residential Building owned by the Proprietor		7.08	6.00
Land with 5 storied foundations with two storied building thereon situated at Mauza-Dattapara, P.S –Tongi, Dist-Gazipur.	12.50	3.75	3.00
Land situated at Mauza-Dattapara, P.S – Tongi, Dist- Gazipur.	34.50	8.62	6.90
Grand Total (BDT in Millions)		34.85	28.02

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

The management of the company is headed by the Proprietor, Mr. Abdur Rashid who has 7 years of experience in mobile business. In the company hierarchy they are followed by General Manager, Manager, supervisor, engineers, and Quality control inspector and after sales team. The total workforce of the company is made up of 4 employees in Admin & HR department, 31 employees in



engineering department, 2 employees in QC department, 3 employees in supply chain department and 26 employees in sales service department. Entity is equipped with latest IT software named billing Master for management of its accounts related issues.

Insurance & Declaration: MME has its insurance mobile stocks & accessories in its godowns and shops for fire and burglary risk from People's Insurance company Limited. MME has its insurance coverage on its stocks mobile accessories in its warehouse and shops for fire and burglary risk from Paramount insurance Company Limited cover note PRM/MTJ/FP-15/06/2012 which is valid till 19-06-2013. The firma declared that the firm has no other loan facility except IBBL and other one financial institute.

LIST OF ABBREVIATIONS

ECRL	Emerging Credit Rating Limited	CCC	Cash Conversion Cycle
COGS	Cost of Goods Sold	CFO	Cash Flow from Operation
ROA	Return on Asset	MME	M/S Meem Enterprise
ROE	Return on Equity		

BUSINESS INFORMATION

Proprietor : Mr. Abdur Rashid

Office Address & contact person

Corporate : Suit # 04, Motaleb tower 5th floor, 8/2 Paribagh Hatirpool Dhaka

Contact person : Mr. Anwar : 01754816001, 01674309016; 01938899703
Email : meem_entrpriz@yahoo.com

Show Room : 580, Motaleb Plaza 4th floor Hatirpool, Dhaka

Auditors : Irshadullah Patwary & Co.

Address : 92, D.I.T road 3rd floor, Malibagh, Dhaka-1217

Bank information : **Islami Bank Bangladesh Limited (Uttara Branch)**

Banker name : Mr. Mustaq contact number 01911977973
Email address : fex.uttara@islamibankbd.com; uttara@islamibankbd.com



M/S MEEM ENTERPRISE BALANCE SHEET

	Amount in BDT			
<i>Financial Year Ending : june</i>	2012	2011	2010*	2009*
NON-CURRENT ASSETS				
Fixed And Operating Assets	126,900	55,550	140,000	105,500
	126,900	55,550	140,000	105,500
CURRENT ASSETS				
Inventories	15,022,861	13,987,443	542,000	4,050,000
Trade Receivables	4,251,200	4,951,200	0	0
Cash And Bank Balances	5,008,058	2,514,676	1,193,207	8,477,675
Net Loans, Advances And Financing	32,220,074	12,155,312	0	0
	57,652,193	34,758,631	1,735,207	12,527,675
CURRENT LIABILITIES				
Borrowings	17,546,479	25,890,925	28,488,127	11,337,746
Trade Payables	525,621	220,424	0	0
Deposits And Placements Of Banks And Other Financial Institutions	39,413,135	8,583,962	0	0
	57,485,235	34,695,311	28,488,127	11,337,746
NET CURRENT ASSETS/(LIABILITIES)	166,958	63,320	(26,752,920)	1,189,929
	293,858	118,870	(26,612,920)	1,295,429
FINANCED BY :				
PROPRITORS EQUITY				
Retained Profits/(Losses)	293,858	118,870	(26,612,920)	1,295,429
	293,858	118,870	(26,612,920)	1,295,429
	293,858	118,870	(26,612,920)	1,295,429
	293,858	118,870	(26,612,920)	1,295,429

M/S MEEM ENTERPRISE PROFIT AND LOSS ACCOUNT

	Amount in BDT			
<i>Financial Year Ending : June</i>	2012	2011	2010*	2009*
Revenue	569,437,077	202,785,161	742,948	2,680,510
Less : Cost Of Sales/Services	(538,118,037)	(191,631,978)	402,000	0
Gross Profit	31,319,040	11,153,183	1,144,948	2,680,510
Less : Operating Cost	(22,477,142)	(7,283,513)	(320,000)	0
Profit/(Loss) From Operations	8,841,898	3,869,670	824,948	2,680,510
Net Finance Costs	(5,302,144)	(1,889,670)	0	0
Profit/(Loss) Before Tax	3,539,754	1,980,000	824,948	2,680,510
Tax Expense And Zakat	(7,383)	(211,307)	(63,428)	(429,102)
Profit/(Loss) After Tax	3,532,371	1,768,693	761,520	2,251,408
Net Profit/(Loss) For The Year	3,532,371	1,768,693	761,520	2,251,408

Data obtained from audited financial statements of 2011-12.

2009-10 data obtained from unaudited financial statements



CORPORATE DEBT RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	DEFINITION
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), and all other supports, an (s) when such guarantees or supports give favorable effect to the assigned rating.

SHORT-TERM RATINGS

ECRL's Short-Term Ratings are assigned to specific debt instruments with original maturities of one year or less, and are intended to assess the likelihood of timely repayment of principal and payment of interest.

RATING	DEFINITION
ECRL - 1	The highest category; indicates a very high likelihood that principal and interest will be paid on a timely basis.
ECRL - 2	While the degree of safety regarding timely repayment of principal and payment of interest is strong, the relative degree of safety is not as high as issues rated ECRL-1.
ECRL - 3	This grade indicates while the obligation is more susceptible to adverse developments, both internal and external, the capacity to service principal and interest on a timely basis is considered adequate.
ECRL - 4	This rating suggest likelihood of default is considerably less than for lower rated issues but faces significant uncertainties that could impact its financial commitment on the obligation.
ECRL - 5	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
ECRL - 6	Payment in default.

Notes: Short-Term Ratings will also carry a suffix (bg) for bank-guaranteed issues, (cg) for corporate-guaranteed issues, (fg) for FGI-guaranteed issues, and (s) for all other supports when such guarantees or supports give favorable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Corporate Debt Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

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