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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	10 October 2023	09 October 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Trust Bank Limited	OD	10.00	10.22	25.07.2023
IIDFCL	Term Loan	6.00	1.34	05.10.2023
Total		16.00	11.56	

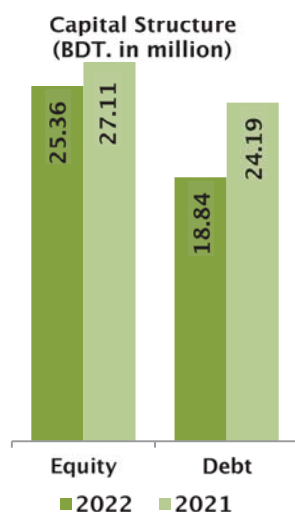
Financial Based on—audited financial statements up to 30 June 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	21.24	7.50
EBIT	0.66	0.22
Net Profit	-1.75	-1.57
Total Assets	44.20	51.29
Total Equity	25.36	27.11
Total debt	18.84	24.19
Net Profit Margin (%)	-8.2%	-20.9%
CCC (Days)	371	1351
ICR (X)	0.47	0.12



RATING RATIONALE

WCRCL has down grade 'WCRSME4' (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to **General Battery Company Limited** (hereinafter referred as "GBCL" or "The Company") 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 directors and management
- Maintained sound relation with supplier & buyer
- Good mortgage security coverage against loan
- Good banking conduct
- Low levered capital structure

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

- Medium disclosure of financial statements
- Poor profitability margin
- High inventory pile-up affecting working capital
- Low interest coverage position
- Tight liquidity position considering long cash conversion cycle
- Risk associated with procurement
- Manual accounting system

The rating implies that the enterprise has an average credit quality.

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WCRCL also viewed the company with "Stable" outlook and believes that GBCL 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.