

August 06, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	1.50	SMERA BB+/Stable (Assigned)
Export Packing Credit	5.00	SMERA A4+ (Assigned)
Foreign Bill Discounting	2.50	SMERA A4+ (Assigned)
Letter of Credit	2.00	SMERA A4+ (Assigned)
Bank Guarantee	0.10	SMERA A4+ (Assigned)
Proposed Export Packing Credit	6.95	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB+**' (read as **SMERA double B plus**) and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.18.05 crore bank facilities of Sonodyne International Private Limited (SIPL), part of the Sonodyne group. The outlook is '**Stable**'. The ratings are supported by the group's experienced management, healthy financial risk profile and well established export market. However, the ratings are constrained by the group's exposure to intense competitive pressure and exposure to foreign exchange fluctuation risk.

SMERA has combined the business and financial risk profiles of SIPL, Sonodyne Technologies Private Limited (STPL) and Sonodyne Electronics Company Private Limited (SECPL) since the companies are in the same line of business, under a common management and have fungible cash flows.

Outlook: Stable

SMERA believes the Sonodyne group will maintain its moderate business risk profile in the medium term on the back of established operations and extensive industry experience of the promoters. The outlook may be revised to 'Positive' in case of improvement in profitability and operating income. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in profitability and operating income.

Rating sensitivity factors

- Managing incremental working capital
- Losses due to foreign exchange fluctuation
- Debt funded capex

About the Company

SIPL, a Kolkata-based company established in 1970 by Mr. Ashoke Kumar Mukherjee and Mr. Anindya Mukherjee manufactures professional audio systems, high grade electronic power supplies and low frequency amplifiers at its facility at SEEPZ, Andheri (East), Mumbai.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in