



Press Release

SONODYNE INTERNATIONAL PRIVATE LIMITED

MARCH 28, 2019

Rating Update

| | |
|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 18.05 Cr. # |
| Long Term Rating | ACUITE BBB- Issuer non-cooperating* |
| Short Term Rating | ACUITE A3 Issuer non-cooperating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has reviewed the long term rating to '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating to '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 18.05 crore bank facilities of Sonodyne International Private Limited. This rating is now an indicative rating and is based on best available information.

SIPL, a Kolkata-based company established in 1970 by Mr Ashok Kumar Mukherjee manufactures professional audio systems, high grade electronic power supplies and low frequency amplifiers.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

| | Unit | FY17(Actual) | FY16 (Actual) | FY15 (Actual) |
|-------------------------------|---------|--------------|---------------|---------------|
| Operating Income | Rs. Cr. | 42.34 | 37.98 | 37.10 |
| EBITDA | Rs. Cr. | 3.48 | 3.58 | 3.04 |
| PAT | Rs. Cr. | 1.43 | 1.85 | 1.16 |
| EBITDA Margin | (%) | 8.22 | 9.42 | 8.20 |
| PAT Margin | (%) | 3.38 | 4.87 | 3.13 |
| ROCE | (%) | 7.83 | 9.46 | 8.00 |
| Total Debt/Tangible Net Worth | Times | 0.86 | 0.83 | 0.70 |
| PBDIT/Interest | Times | 3.06 | 3.22 | 2.41 |
| Total Debt/PBDIT | Times | 5.36 | 4.65 | 4.25 |
| Gross Current Assets (Days) | Days | 244 | 269 | 250 |

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-----------|---------------------------------|------------|-----------------|--------------------------------|
| 06-Feb-18 | Term Loan | Long term | 1.50 | ACUITE BBB- /Stable (upgraded) |
| | Packing Credit | Long term | 5.00 | ACUITE BBB- /Stable (upgraded) |
| | Foreign Bill Discounting | Long term | 2.50 | ACUITE BBB- /Stable (upgraded) |
| | Proposed Packing Credit | Long term | 6.95 | ACUITE BBB- /Stable (upgraded) |
| | Letter of Credit | Short term | 2.00 | ACUITE A3 (upgraded) |
| | Bank Guarantee | Short term | 0.10 | ACUITE A3 (upgraded) |
| 12-Dec-17 | Packing Credit | Long term | 5.00 | ACUITE BB+ (Indicative) |

| | | | | |
|-----------|--------------------------------|------------|------|--------------------------------|
| | Foreign Bill Discounting | Long term | 2.50 | ACUITE BB+ (Indicative) |
| | Term Loan | Long term | 1.50 | ACUITE BB+ (Indicative) |
| | Bank Guarantee | Short term | 0.10 | ACUITE A4+ (Indicative) |
| | Letter of Credit | Short term | 2.00 | ACUITE A4+ (Indicative) |
| | Proposed Packing Credit | Long term | 6.95 | ACUITE BB+ (Indicative) |
| 25-Oct-16 | Export Packing Credit | Long term | 5.00 | ACUITE BB+/Stable (Reaffirmed) |
| | Foreign Bill Discounting | Long term | 2.50 | ACUITE BB+/Stable (Reaffirmed) |
| | Term Loan | Long term | 1.50 | ACUITE BB+/Stable (Reaffirmed) |
| | Bank Guarantee | Short term | 0.10 | ACUITE A4+ (Reaffirmed) |
| | Letter of Credit | Short term | 2.00 | ACUITE A4+ (Reaffirmed) |
| | Proposed Export Packing Credit | Long term | 6.95 | ACUITE BB+/Stable (Reaffirmed) |
| 6-Aug-15 | Term Loan | Long term | 1.50 | ACUITE BB+/Stable (Assigned) |
| | Export Packing Credit | Short term | 5.00 | ACUITE A4+ (Assigned) |
| | Foreign Bill Discounting | Short term | 2.50 | ACUITE A4+ (Assigned) |
| | Bank Guarantee | Short term | 0.10 | ACUITE A4+ (Assigned) |
| | Letter of Credit | Short term | 2.00 | ACUITE A4+ (Assigned) |
| | Proposed Export Packing Credit | Short term | 6.95 | ACUITE A4+ (Assigned) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|--------------------------|------------------|----------------|----------------|-----------------------------|---|
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 1.50 | ACUITE BBB- Issuer not co-operating* |
| Export Packing Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE BBB- Issuer not co-operating* |
| Foreign Bill Discounting | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE BBB- Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 6.95 | ACUITE BBB- Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 2.00 | ACUITE A3 Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.10 | ACUITE A3 Issuer not co-operating* |

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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