

January 19, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	8.00	SMERA BB-/Stable (Assigned)
Bank Guarantee	10.50	SMERA A4+ (Assigned)
Letter of Credit	1.50	SMERA A4+ (Assigned)

SMERA has assigned a ratings of '**SMERA BB-**' (read as **SMERA double B minus**) and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs. 20.00 crore bank facilities of Suryodaya Infra Projects India Private Limited (Suryodaya Infra). The outlook is '**Stable**'. The ratings derives comfort from the reputed customer base, moderate order book position and geographic diversification of projects. However, the rating is constrained by uneven revenues, moderate scale of operations and weak debt service coverage ratio.

Outlook: Stable

SMERA believes that Suryodaya Infra will continue to benefit over the medium term from healthy business prospects and order book position. The outlook may be revised to 'Positive' if the company generates larger than expected cash flows with successful sourcing and executes large projects. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution leading to low profitability.

Rating Sensitivity Factors

- Timely completion of projects
- Efficient working capital management
- Maintaining profitability

About the Company

The Hyderabad-based Suryodaya Infra, a civil construction company is engaged in industrial civil work. The company, incorporated in 2008, mainly constructs roads and industrial structures and is managed by Mr. Rajendra Prasada Rao Bezawada, Managing Director, Ms. Sailaja Bezawada, Director and Mr. Venu Gopala Ramakrishna Vattla, Director.

For FY2014-15, Suryodaya Infra reported profit after tax (PAT) of Rs.0.96 crore on operating income of Rs.20.49 crore as compared with PAT of Rs.0.94 crore on operating income of Rs.20.13 crore for FY2013-14.

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Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Mr. Anthony Jose, Vice President – Business Development, Mid Corporate Tel : +91-22-6714 1191 Cell : +91 9820802479 Email : anthony.jose@smera.in Web: www.smera.in	Mr. Vinay Chhawchharia Associate Vice President - Corporate Ratings, Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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