

## Press Release

### Suryodaya Infra Projects (I) Private Limited

April 26, 2023



## Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE C   Downgraded	-
Bank Loan Ratings	42.00	-	ACUITE A4   Downgraded
Total Outstanding Quantum (Rs. Cr)	67.00	-	-

## Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE C (read as ACUITE C)**' from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) and short term rating to '**ACUITE A4 (read as ACUITE A four)**' from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.67.00 crore bank facilities of Suryodaya Infra Projects (I) Private Limited (SIPPL).

The rating is downgraded is on account of recent delays in servicing of debt obligations by SIPPL in their equipment loans. The rating continues to draw comfort from the experienced management and established track record of operations.

## About the Company

Established in 2008, Suryodaya Infra Projects (I) Private Limited (SIPPL) is a Hyderabad (Telangana) based entity engaged in various civil construction activities primarily related to roads & bridges, irrigations, buildings, etc for both public and private sector. SIPPL, a Class I contractor, is promoted and managed by Mr. B Rajendra Prasada Rao who has around 3 decades of experience in civil construction segment.

## Analytical Approach

Acuite has considered the standalone business and financial risk profile of SIPPL to arrive at the rating

## Key Rating Drivers

### Strengths

- Promoters' extensive industry experience

SIPPL, a Class I civil contractor, has established presence in executing projects related to primarily roads & bridges, irrigations, buildings amongst others for both public and private sector. Mr. B Rajendra Prasada Rao, the managing director of SIPPL, has 3 decades of experience in the line of civil construction.

## Weaknesses

- **Delay in servicing of debt obligations**

SIPPL has delayed in the repayment of the equipments loan facilities since last three months ended March 2023 and February 2023, as per the banker confirmation.

## Rating Sensitivities

- Regular servicing of debt obligations

## Material covenants

None

## Liquidity Position: Poor

The liquidity position of the company is marked poor on account of recent past instances of delays in servicing of debt obligation.

## Outlook:

Not applicable

## Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	158.52	99.55
PAT	Rs. Cr.	7.62	4.91
PAT Margin	(%)	4.80	4.93
Total Debt/Tangible Net Worth	Times	0.67	0.37
PBDIT/Interest	Times	4.35	4.35

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

None

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Feb 2022	Proposed Bank Facility	Long Term	16.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	27.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	15.00	ACUITE A3 (Reaffirmed)
17 Jan 2022	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	23.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	22.00	ACUITE BBB-   Stable (Reaffirmed)
23 Dec 2020	Bank Guarantee	Short Term	23.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Bank Facility	Long Term	22.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
02 Jan 2020	Letter of Credit	Short Term	1.50	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	10.50	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BB- (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	27.00	ACUITE A4   Downgraded
ICICI Bank Ltd	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE A4   Downgraded
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.00	ACUITE C   Downgraded
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	14.09	ACUITE C   Downgraded
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.91	ACUITE C   Downgraded

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### About Acuité Ratings & Research

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