

Sugs Lloyd Limited

November 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	60.00	CARE BBB-; Stable	Assigned
Long-term / Short-term bank facilities	65.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to Sugs Lloyd Limited (SLL) consider the company's experienced promoters, growing scale of operations with healthy profitability and healthy orderbook position providing medium-term revenue visibility. Ratings also take into account recent improvement in capital structure supported by funds raising through its Initial public offerings in September 2025. Ratings derive comfort from the company's reputed clientele and its proven ability to execute a diverse range of projects, including grid-connected electrification, solar engineering, procurement, and construction (EPC), and distribution network contracts, demonstrating strong execution capabilities and domain expertise.

However, these strengths are partially offset by working capital intensive operations, tender-based business and intense competition in the industry, though majority projects are funded under Central Sector Schemes, ensuring timely fund flow and mitigating counterparty risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely execution of its orders in hand and consequent increase in total operating income (TOI) to above ₹350 crore on a sustained basis while maintaining profit before interest, lease, depreciation and tax (PBILDT) margins at current level.
- Improvement in capital structure with overall gearing below 0.80x and improvement in debt coverage indicators.

Negative factors

- Delay in execution of ongoing orders resulting in TOI below ₹150 crore on sustained basis and sustained dip in PBILDT margins to below 12%.
- Increase in working capital intensity, adversely affecting the company's debt coverage and liquidity indicators.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from the experience of promoters in the solar energy, electrical transmission and distribution, and civil EPC projects industry.

Detailed description of key rating drivers:

Key strengths

Experienced Promoters

SLL was established in 2009 and is led by a team of experienced promoters — Priti Shah and Santosh Kumar Shah, who have around two decades of experience in electrical transmission and distribution industry. Santosh Shah holds degree in Bachelor of Technology (Mechanical & Automation Engineering) & Master of Laws, while Priti Shah holds an MBA degree in Human Resources from Delhi University, adding on to the technical expertise in the team. Experience of promoters has helped the company to establish long term relationships with its customers and suppliers.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Growing scale of operations and healthy profitability margins

SLL's TOI grew at a compound annual growth rate (CAGR) of 97.81% for four years ended FY25. In FY25, TOI increased by 171% y-o-y and stood at ₹176.20 crore in FY25 against ₹65.13 crore in FY24, considering healthy execution in FY25 supported by healthy orderbook. In Q1FY26, the company has achieved TOI of ₹59.41 crore. The scale is expected to improve in the medium term considering expected execution of unexecuted orderbook in hand.

SLL's operating profitability exhibited a volatile trend with a PBILDT margin within the range of 8-15% for three years ended FY25. It stood comfortable at 14.63% in FY25 (PY:13.99%), largely on account of securing high margin orders along with better absorption of fixed overheads driven by larger scale of operations. However, the Profit after Tax (PAT) margin moderated to 9.49% (PY: 13.26), primarily due to higher interest expenses and lower non-operating income during the year. In Q1FY26, PBILDT Margins stood at 14.98%. Going forward, profitability is expected to remain stable owing to expected stable realisations and input costs.

Healthy order book position

SLL's orderbook position stood healthy at ₹470.94 crore as on July 31, 2025, which is ~2.67x of gross sales reported in FY25 providing medium-term revenue visibility. The orderbook consists of reputed clients including South Bihar Power Distribution Co. Limited., North Bihar Power Distribution Co. Limited, Maharashtra State Power Generation Company, Bihar Renewable Energy Development Agency, NTPC Limited (CARE AAA; Stable /CARE A1+) and National Highways Authority of India (NHAI; CARE AAA; Stable) among others. Around 70% of the order book is attributable to Bihar and Maharashtra, with the remaining projects spread across states including Odisha, Punjab, Delhi, Himachal Pradesh, and others. However, the entity is actively working to diversify its geographical presence by securing additional projects in Orrisa, Gujrat and Punjab to minimise concentration risk. Of the total outstanding order book, ~50% pertains to electrical contracts, ~43% to solar projects, and the remaining portion to manpower and civil work.

Improvement in capital structure post equity infusion in September 2025

As on March 31, 2025, the entity's capital structure remained leveraged, with an overall gearing ratio of 2.05x, compared to 0.93x as on March 31, 2024, on a net worth base of ₹36.50 crore. Deterioration in gearing in FY25 was primarily driven by higher working capital borrowings, indicating continued reliance on external debt. Total outside liabilities to net worth (TOL/TNW) ratio also remained elevated at 2.60x as of March 31, 2025 (PY:1.32x).

The capital structure improved significantly, following an equity infusion of ₹85.65 crore from IPO proceeds in September 2025, which has enhanced the net worth and accretion of profits to reserves significantly.

SLL's debt coverage indicators stood moderate in FY25 as characterised by comfortable interest coverage ratio of 5.84x (PY:9.98x) and total debt (TD)/PBILDT and TD to gross cash accruals (TD/GCA) of 2.90x (PY:2.04x) and 4.38x (PY: 2.12x) respectively in FY25. Going forward, these indicators are expected to improve due to anticipated growth in profitability and reduced working capital utilisation, supported by the adequate liquidity buffer from the IPO proceeds earmarked for working capital requirements.

Key weaknesses

Presence in competitive industry with limited bargaining power

SLL receives all its work orders from government departments/undertakings which are tender-based, and revenues depend on the company's ability to bid successfully for these tenders. Profitability margins may come under pressure because of the competitive nature of the industry. However, promoters' long industry experience of over two decades, the company's reputed clientele and its proven ability to execute a diverse range of projects, including grid-connected electrification, solar EPC, and distribution network contracts, demonstrating strong execution capabilities and domain expertise, mitigates this risk to some extent. There are numerous fragmented and unorganised players operating in the segment, which makes the civil construction space highly competitive.

Working capital intensive operations

Working capital cycle stood elongated at 112 days in FY25 (83 days in FY24), majorly considering stretch in receivable days to 116 days (PY:95 days), due to high proportion of revenues from government contracts, where payments are typically delayed owing to procedural approvals, milestone-based billing, and retention clauses. While this lengthens the collection cycle, the credit quality of the counterparties mitigates default risk. Effective management of working capital to ensure timely project execution is critical from the rating perspective. The company's fixed asset turnover ratio is very high ~98 as most orders are executed through renting and leasing of equipment only.

Liquidity: Adequate

Liquidity is adequate marked by high cash and cash equivalents of ~₹69.39 as on September 17, 2025, considering fund raising of ₹85.65 crore through IPO. The company has moderate current ratio which stood at 1.26x as on September 17, 2025. However, quick ratio remains comfortable at 1.16x as on March 31, 2025. GCA stood healthy at ₹ 17.09 crore in FY25 against nil debt repayment obligations. Its fund-based working capital limits of ₹60 crore were utilised at ~85-90% for 12 months ended July 2025. The entity has also availed non-fund-based limits of ₹65 crore with average utilisation of ~70% for 12 months ended July 2025. Cash flow from operations stood negative at ₹ 55.18 crore in FY25, considering funds being tied up in working capital, especially debtors. The company does not have major capex plans in the near-to-medium term.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

SLL was originally incorporated on September 16, 2009, as Sugs Lloyd Energy Private Limited. The company underwent a name change to Sugs Lloyd Private Limited on October 09, 2020, and was finally renamed Sugs Lloyd Limited on June 01, 2024. Promoted by Priti Shah and Santosh Kumar Shah, SLL operates in the EPC sector, with a primarily focus on solar energy, electrical transmission and distribution, and civil EPC projects. The company offers a wide range of services, including the development of power transmission and distribution infrastructure, construction of power substations, and the renovation, upgrading, and modification of existing power systems. The company got listed on BSE in September 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	65.13	176.20	59.41
PBILDT	9.11	25.77	8.90
PAT	8.64	16.72	5.79
Overall gearing (times)	0.93	2.05	-
Interest coverage (times)	9.98	5.84	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	60.00	CARE BBB-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	65.00	CARE BBB-; Stable / CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	65.00	CARE BBB-; Stable / CARE A3				
2	Fund-based - LT-Cash Credit	LT	60.00	CARE BBB-; Stable				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: +91-12-0445 2018 E-mail: puneet.kansal@careedge.in Akhil Kumar Associate Director CARE Ratings Limited Phone: +91-12-0445 1986 E-mail: akhil.kumar@careedge.in Naincy Barnwal Lead Analyst CARE Ratings Limited E-mail: Naincy.barnwal@careedge.in
---	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**