

**SISCO Energy Private Limited  
(Erstwhile Acoustics India Private Limited)**

October 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	14.89 (Reduced from 17.65)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	58.00 (Enhanced from 30.50)	CARE BB+; Stable / CARE A4+	Reaffirmed
Short Term Bank Facilities	15.00	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to the bank facilities of SISCO Energy Private Limited (SEPL) are constrained by modest scale of operations despite improvement in last four years, working capital-intensive nature of operations, volatility associated with raw material prices and moderately leveraged capital structure. However, ratings derive comfort from vast experience of promoters and established track record of the company in fabricated components.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Improvement in scale of operations with total operating income (TOI) crossing ₹150 crore with profit before interest, tax, depreciation, and lease (PBILDT) margin above 15% and total debt/PBILDT less than 2.0x on a sustained basis.
- Reduction in total outside liabilities/tangible net worth to less than 2.5x on a sustained basis.

#### Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Large debt-funded capex and deterioration in capital structure with overall gearing crossing 2.5x.
- Elongation in operating cycle beyond 120 days.

**Analytical approach:** Standalone

### Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company's operations will continue to remain stable in the medium term, deriving benefit from strong order book.

### Detailed description of the key rating drivers<sup>1</sup>

#### Key weaknesses

##### Modest scale of operations despite improvement in last four years

The company, established in 1991, maintained a modest scale of operations, with revenue under ₹30 crore until FY20. However, its TOI grew at a compounded annual growth rate (CAGR) of 34% over the last five years, driven by exports which increased from ₹15.21 crore in FY21 to ₹86.54 crore in FY25.

##### Volatility associated with raw material prices and fluctuation in foreign exchange rates

Steel is a major raw material for the company, and its commodity nature makes its prices volatile. Adverse fluctuations in steel prices could impact the company's operating performance. PBILDT margin declined to 11% in FY25 (PY: 12.66%) primarily due to volatility in raw material prices.

Additionally, with ~65% of its revenues derived from exports, the company is exposed to foreign exchange rate fluctuations. The company also imports some raw materials (~20% of total purchases) against exports of ₹80.80 crore, providing a natural hedge to some extent.

##### Working capital-intensive nature of operations

Due to its diversified manufacturing operations and order cycles that span three to 18 months, the company requires substantial working capital. The manufacturing process can range from six to eighteen months, depending on the product type, leading to

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

significant work-in-progress (WIP) inventory. Average inventory days reduced to 91 days in FY25 from 107 days in the previous year.

The company procures raw materials upon receiving orders, with some suppliers requiring advance payments and offering credit periods. Additionally, the company receives an advance payment of ~10%, which helps manage working capital to some extent. The credit period extended to customers is up to 45 days.

### **Moderately leveraged capital structure**

Although the company's capital structure showed improvement with an overall gearing of 1.79x as of March 31, 2025 (PY: 1.91x), it remained moderately leveraged, with low net worth base and total debt standing at ₹43.66 crore as of March 31, 2025 (PY: ₹35.31 crore). Total debt outstanding as of March 31, 2025, increased due to the company availing a term loan of ₹13 crore in FY25 for acquisition of its previously rented unit.

### **Key strengths**

#### **Diversified product portfolio with established track record and marquee clientele**

SEPL manufactures a diverse range of industrial components, including pressure vessels, storage tanks, noise enclosures, industrial silencers, heat exchangers, E-houses, and other fabricated components such as remelt tanks, valves, ducts, mill bodies, and steam turbines.

Recently, SEPL has expanded its manufacturing capabilities to include desalination plants and projects in the defence, nuclear, aerospace, and test facility sectors. The company has been able to secure repeat orders and references from marquee names, as reflected in sustained growth in scale of operations and order book from marquee clientele such as Siemens Energy, Enersul Limited, and ABB India. As of October 2025, SEPL has a confirmed order book of ₹180 crore to be executed in FY26 and FY27.

#### **Experienced promoters with over three decades of experience in the same line of business**

NP Sukumar, who holds a BE in Mechanical Engineering from PSG College, Coimbatore, has over 35 years of industry experience. He currently manages the business with his wife, Shanthi Sukumar, who has an MSc in Physics and over two decades of business experience. NP Sukumar currently holds ~89% of the company's stake. In FY25 (FY refers to April 01 to March 31), NP Sukumar converted ₹0.5 crore of Unsecured Loans into 3,847 equity shares.

#### **Liquidity: Stretched**

SEPL's liquidity is stretched, with an average working capital utilisation of ~85% for the 12 months ending September 2025. Operating cycle improved to 80 days in FY25 (PY: 103 days), primarily due to improvement in inventory days to 80 days in FY25 (PY: 107 days). The inventory primarily comprises WIP, as the manufacturing cycle can extend up to six months depending on the product type. The company expects cash accruals of ₹14.17 crore in FY25, against an expected principal repayment of ₹5.20 crore. As on March 31, 2025, the company's current ratio stood at 1.50x. Larger orderbook at 1.44x of TOI as of October 2025 (PY: 0.86x) is expected to increase working capital requirements given the working capital-intensive nature of operations and long operating cycle.

**Assumptions/Covenants:** Not applicable

**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](#)

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[Short Term Instruments](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

SISCO Energy Private Limited (SEPL), formerly known as Acoustics India Private Limited, was founded in 1988 by NP Sukumar. It became a private limited company in 1991. The company manufactures a wide range of industrial components, including pressure vessels, storage tanks, noise enclosures, industrial silencers, heat exchangers, E-houses, and other fabricated components. The company operates a fully integrated manufacturing facility comprising of three units spread over six acres in Kumaramangalam, Mathur, Pudukottai.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	73.58	108.83	124.3
PBILDIT	7.30	13.78	13.67
PAT	2.91	6.38	5.37
Overall gearing (times)	2.55	1.91	1.79
Interest coverage (times)	3.51	4.01	3.43

A: Audited; 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-Term Loan		-	-	December 2032	14.89	CARE BB+; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	19.50	CARE BB+; Stable / CARE A4+
Fund-based/Non-fund-based-LT/ST		-	-	-	38.50	CARE BB+; Stable / CARE A4+
Non-fund-based - ST-Bank Guarantee		-	-	-	15.00	CARE A4+

**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	Fund-based - LT/ST-Cash Credit	LT/ST	19.50	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (12-Dec-24)	-	-
2	Non-fund-based - ST-Bank Guarantee	ST	15.00	CARE A4+	-	1)CARE A4+ (12-Dec-24)	-	-
3	Fund-based - LT-Term Loan	LT	14.89	CARE BB+; Stable	-	1)CARE BB+; Stable (12-Dec-24)	-	-
4	Fund-based/Non-fund-based-LT/ST	LT/ST	38.50	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (12-Dec-24)	-	-

LT: Long term; ST: Short 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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-Bank Guarantee	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

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