



Press Release

Sixth Energy Technologies Private Limited

July 15, 2025

Rating

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	30.00 (including proposed limit of 3.09 crore)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	-	Rating assigned	Simple
	30.00 (Rs. Thirty crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The long-term rating assigned to the bank facilities of Sixth Energy Technologies Private Limited (SETPL) derives comfort from experienced promoters with long operational track record, growing scale of operations with improvement in profitability, moderate financial risk profile and support from government initiatives. These rating strengths are partially offset by modest scale of operations, competition from major player in the industry, technology obsolescence risk and working capital intensive nature of operation.

The outlook assigned on the long-term rating is Stable on the back of favourable demand outlook in the overall industry coupled with stable financial risk profile.

Key Rating Sensitivities:

Upward Factors

- Continuous inflow of orders with substantial improvement in scale of operations, profitability and cash accruals.
- Further improvement in the capital structure and debt protection metrics on a sustained basis.

Downward Factors

- Moderation in the scale of operations and/or deterioration in profit margin impacting the liquidity.
- Moderation in the capital structure with deterioration in overall gearing ratio and weakening of debt coverage indicators.



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- Withdrawal of subordinated unsecured loan which resulted in deterioration in capital structure.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters with long operational track record**

SETPL has more than two decades of long track record in the industry, and the promoter's Mr. Kasiviswanathan Rangarajan, Mr. Mittur Sivakumar Sivasankaran and Mr. Eric Clifford Dsouza who has more than three decades of experience in the IT services. This seasoned leadership has enabled the company to achieve significant growth, build a robust client franchise, and foster long-term relationships with marquee clients such as ICICI Bank, Karur Vysya Bank thereby underpinning revenue growth and stability.

- **Growing scale of operations with improvement in profitability**

SETPL witnessed a significant improvement in its scale of operation in FY25 (Prov.) (refers to period April 1st, 2024 to March 31st, 2025) with a y-o-y increase of ~22% over FY24 (refers to period April 1st, 2023 to March 31st, 2024). The revenue of the firm improved from Rs. 53.65 crore in FY24 to Rs. 65.62 crore in FY25 (Prov.) driven by higher volume of sales. With increase in scale of operation, the firm's EBITDA improved in absolute terms to Rs. 17.61 crore, with the EBITDA margin also strengthening and noted at 26.84% in FY25 (Prov.). PAT level rose by ~795%, from Rs. – 0.54 crore in FY24 to Rs. 3.75 crore in FY25 (Prov.), with the PAT margin improving and noted at 5.66%. Additionally, on account of the improved operating scale, GCA stood at Rs. 14.62 crore in FY25 (Prov.).

- **Moderate financial risk profile**

Financial risk profile of the company stood moderate marked by adjusted tangible net worth of Rs. 26.31 crore as on March 31, 2025, Rs. 26.96 crore as on March 31, 2024, and Rs. 23.69 crore as on March 31, 2023, on account of accretion of reserves. Further, adjusted net worth (ATNW) has taken into consideration of unsecured loans from the promoters/directors of Rs. 4.11 crore. Overall gearing increased to 1.22x as on March 31, 2025, compared to 1.12x as on March 31, 2024, on account of slightly increased debt level. The overall indebtedness of the company has also moderated reflecting from TOL/ATNW of 1.61x as on March 31, 2025, compared to 1.60x as on March 31, 2024. The debt protection metrics has also stood comfortable in FY25 (Prov.). reflecting from improved Interest Coverage Ratio of 6.40x and Debt Service Coverage Ratio of 1.11x compared to 3.88x and 1.12x in FY24 respectively.



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- **Support from government initiatives**

The industry is benefiting from the Make in India initiative through increased government support, incentives for local manufacturing, and a focus on developing a robust tech ecosystem. This has led to the growth of domestic software and hardware production, enhanced innovation, and the attraction of global investments, further boosting India's position as a global IT hub. And further the increasing demand for security software solutions, networking solutions and digitization connectivity leads to higher sales.

Key Rating Weaknesses

- **Modest scale of operations**

SETPL has small scale of operations reflected by Rs. 65.62 crore in FY25 (Prov.). However, notwithstanding its small scale of operations SETPL has achieved a CAGR of ~15% during FY22-FY25 mainly driven by increase in revenue from IT operations. Infomerics expects that the scale of operation of the company will continue to remain modest in the near term.

- **Competition from major player in the industry, technology obsolescence risk**

The IT/ITES industry in India is highly competitive and dominated by large, organized players, resulting in intense pricing pressure and challenges in acquiring new customers. The presence of numerous market participants limits SETPL's bargaining power, thereby constraining its margins. The company's modest scale of operations restricts its operational and financial flexibility, making it vulnerable to adverse technological changes that could impact revenue. Furthermore, despite being empanelled with various government agencies, the tender-based procurement system introduces uncertainty and competition risks, potentially affecting the company's growth prospects and profitability.

- **Working capital intensive nature of operation**

The working capital cycle of the company improved over the years but stood intensive marked by its long operating cycle due to long collection period. The operating cycle of SETPL stood at 130 days in FY25 (Prov.), compared to 174 days in FY24. This significant improvement in FY25 (Prov.) was on account of improvement in collection and inventory period on account of recent change in product mix. Infomerics expects working capital cycle is to remain efficient through projected period.

Analytical Approach: Standalone

Applicable Criteria:



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[Rating Methodology for Service Sector Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

SETPL has earned gross cash accrual of Rs. 14.62 crore in FY25 (Prov.). Further, the company is expected to earn gross cash accruals in the range of ~ Rs. 16 - 20 crore against its debt repayment obligation around ~ Rs. 3 – 6 crore during FY26-28. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. Moreover, the current ratio was comfortable at 1.12x as on March 31, 2025. The average fund-based utilisation for the twelve months ended April 2025, remained moderate at ~69% indicating adequate liquidity cushion. Additionally, as on March 31, 2025, the company has Rs. 4.27 crore of cash and cash equivalents which brings additional liquidity comfort to the business.

About the Company

Sixth Energy Technologies Private Limited (SETPL), a Bangalore-based company founded in 2003 by Mr. Kasiviswanathan Rangarajan, has successfully diversified its business from an IT-focused entity to a multifaceted conglomerate with a robust revenue profile. SETPL specializes in providing comprehensive Internet of Things (IoT) solutions, encompassing data collection, analysis, alerting, reporting, and mining from various remote locations, including telecom towers, industrial sites, banking premises, and ATM kiosks. The company's day-to-day operations are overseen by a seasoned management team comprising Mr. Kasiviswanathan Rangarajan and Mr. Mittur Sivakumar Sivasankaran, supported by a team of experienced professionals.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	53.65	65.62
EBITDA	12.44	17.61
PAT	-0.54	3.75



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Total Debt	30.18	32.03
Adjusted Tangible Net Worth	26.96	26.31
EBITDA Margin (%)	23.19	26.84
PAT Margin (%)	-1.00	5.66
Adjusted Overall Gearing Ratio (x)	1.12	1.22
Interest Coverage (x)	3.88	6.40

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Cash Credit	Long Term	15.00	IVR BB+/ Stable	-	-	-
2.	Term Loans	Long Term	10.57	IVR BB+/ Stable	-	-	-
3.	GECL	Long Term	1.34	IVR BB+/ Stable	-	-	-
4.	Proposed Fund Based Facility	Long Term	3.09	IVR BB+/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	15.00	IVR BB+/ Stable
Term Loan 1	-	-	-	30-08-2027	4.37	IVR BB+/ Stable
Term Loan 2	-	-	-	25-03-2028	6.20	IVR BB+/ Stable
GECL	-	-	-	30-10-2026	1.34	IVR BB+/ Stable
Proposed Fund Based Facility	-	-	-	-	3.09	IVR BB+/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-sixth-energy-jul25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.