

October 12, 2026

Siechem Technologies Pvt. Ltd.: Ratings reaffirmed; assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long term – Others - Fund based	210.99	780.00	[ICRA]A+ (Stable); reaffirmed/ assigned for enhanced amount	RBI
Long term - Term loan - Fund based	16.18	125.39	[ICRA]A+ (Stable); reaffirmed/ assigned for enhanced amount	RBI
Short term – Others - Interchangeable	(25.00)	(80.00)	[ICRA]A1; reaffirmed/ assigned for enhanced amount	RBI
Short term – Others – Non-fund based	27.00	-	-	RBI
Long term/Short term - Unallocated limits	2.69	-	-	RBI
Total	256.86	905.39		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The reaffirmation of the ratings factors in the healthy financial performance reported by Siechem Technologies Private Limited (STPL) in FY2026, reflected in a revenue growth of ~35% while maintaining a steady operating margin of around 14%. Further, the ratings derive comfort from STPL's sizeable executable order book of over Rs. 600 crore as of August 2026, and a healthy order pipeline, providing strong revenue visibility over the near to medium term. The company also benefits from healthy demand across key end-user industries such as automotive, rolling stock and solar, supported by the addition of new customers and the strengthening of relationships with existing customers.

The ratings continue to factor in STPL's established track record in specialty cables manufacturing, its early adoption of the electron beam irradiation technology, and its diversified customer profile across industries such as railways, automotive, marine, aerospace and solar. Further, the company has been expanding its presence in the export markets and has established relationships with reputed global customers, which are expected to support its growth prospects over the medium term.

The ratings are further supported by the company's healthy financial risk profile, characterised by comfortable leverage and debt protection metrics, a demonstrated ability to generate robust cash accruals and an adequate liquidity profile. The liquidity is supported by free cash balances and liquid investments of around Rs. 230 crore as on March 31, 2026, moderate utilisation of working capital limits and the enhancement of fund-based banking facilities.

The ratings are, however, constrained by the company's exposure to product concentration risk, as a sizeable portion of its earnings is derived from electron beam cables. Further, STPL's profitability remains susceptible to the volatility in raw material prices. While fluctuations in copper and aluminium prices are partly mitigated through order-backed inventory and price variation clauses in certain contracts, the company remains exposed to volatility in the prices of other key raw materials, particularly insulation compounds. Additionally, increased competition in the electron beam cable segment in recent years has moderated the industry profitability, with the company's operating margins remaining below the historical highs witnessed during FY2019-FY2021. ICRA believes that STPL's margins are unlikely to revert to the earlier levels, and that future growth in earnings would primarily be driven by scale expansion and capacity additions.

The ratings also consider STPL's sizeable capital expenditure programme planned over the next few years to expand the capacity and set up manufacturing facilities. The capital expenditure is estimated to be around Rs. 500 crore over FY2027-

FY2031, primarily towards Unit II expansion, the proposed manufacturing facility at Bhiwadi and associated infrastructure additions. While the proposed capex is expected to strengthen STPL's manufacturing capabilities, widen its product portfolio, improve integration and support its growth trajectory, the debt-funded nature of the ongoing projects, along with the higher working capital requirements, post commissioning, is expected to increase the company's leverage from its currently comfortable levels. However, ICRA expects the net debt/OPBDITA to remain below 2.0 times during FY2027 and FY2028.

The company is also evaluating a larger long-term expansion and backward integration project in Chennai, which could entail significantly higher investments over the medium term. The company plans to support the project through equity infusion, and the scale, funding mix, and execution of the project, along with their impact on STPL's capital structure, leverage, and debt protection metrics, will remain a key rating monitorable over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that STPL will continue to maintain a healthy business and financial risk profile, supported by its established market position in specialty cables, a healthy order pipeline and adequate liquidity position. The outlook also reflects the expectation that the company will be able to execute its ongoing expansion projects in a timely manner while maintaining comfortable credit metrics and liquidity buffers.

Key rating drivers and their description

Credit strengths

Robust performance in FY2026, driven by increase in scale; expected to remain healthy in FY2027 - STPL reported a strong operational performance in FY2026, supported by healthy demand across key end-user segments and increased scale of operations. The company's revenues grew by ~35% to Rs. 1,429 crore in FY2026 from Rs. 1,060 crore in FY2025, while it maintained a healthy operating margin of around 14%. The revenue growth was driven by strong traction in the automotive, rolling stock and solar segments, aided by the addition of new customers and expansion in existing customer relationships. Further, STPL continues to benefit from a sizeable executable order book of over Rs. 600 crore as of August 2026, and a healthy order pipeline, providing adequate revenue visibility over the near to medium term. ICRA expects the company's performance to remain healthy in FY2027, supported by sustained demand across key business segments, commencement of revenues from new capacities and its established position in the specialty cables market.

Established player with considerable experience in cable manufacturing – Incorporated in 1994, STPL commenced the commercial production of specialty cables in 2002. Initially, the company manufactured and marketed jelly-filled cables, which were used by the telecom industry. The company was one of the early adopters of the electron beam irradiation technology among domestic players which is used to cross-link insulation compounds and enhance key performance attributes such as abrasion resistance, thermal stability, flame-retardant properties and deformation resistance. These characteristics help reduce the risk of fire from short circuits, which has been the key reason for the adoption of e-beam cables in the railways, automobiles and marine sectors. The company's early technology adoption, extensive management experience and strong in-house research facilities have helped it improve quality, control costs and enhance its product profile, which in turn aided in the addition of new customers over the years.

Reputed and diversified customer base across various end-user industries – The company has a diversified customer base across various end-user industries such as railways, solar energy, automotive, marine and aerospace. The customer concentration is moderate, though there has been some improvement with the top 10 customers' contribution to the sales reducing to 46% in FY2026 from 67% in FY2022. The company is one of the approved vendors designated by the Research Design and Standards Organisation (RDSO), which allows it to participate in Indian Railways' orders, and enjoys a healthy market share in this segment. Given its proven track record in the industry, the company gets repeat orders from many customers.

Apart from the railways, the company has been gradually increasing its revenue share in the automobile, solar, flat travel cables for passenger lifts and conveyors, rubber cables for industrial applications and mines, aluminium flexible wires and wiring harnesses. In this context, ICRA notes that STPL has received customer approvals for supplying e-beam cables to the

rapidly growing electric vehicle and metro railway coach manufacturing segments, where the competition remains relatively low. Further, the company has been expanding its presence in the export markets and has established relationships with reputed global customers, which, along with continued diversification across the end-user industries, is expected to support its growth prospects over the medium term.

Credit challenges

Sizable capex plans over next three to four years likely to moderate coverage and leverage metrics - The ratings also consider the sizeable capital expenditure programme planned over the next few years towards capacity expansion and new manufacturing facilities. The estimated capital expenditure is around Rs. 500 crore over FY2027-FY2031, primarily towards the Unit II expansion, the proposed manufacturing facility at Bhiwadi and associated infrastructure additions. While the proposed capex is expected to strengthen STPL's manufacturing capabilities, widen its product portfolio, improve integration, and support its growth trajectory, the debt-funded nature of the ongoing projects, along with the higher working capital requirements, post commissioning, is expected to increase the company's leverage from its currently comfortable levels. However, ICRA expects the net debt/OPBDITA to remain below 2.0 times during FY2027 and FY2028.

The company is also evaluating a larger long-term expansion and backward integration project in Chennai, which could entail significantly higher investments over the medium term. The company plans to support the project through equity infusion, and the scale, funding mix, and execution of the project, along with their impact on STPL's capital structure, leverage, and debt protection metrics, will remain a key rating monitorable over the medium term.

Product concentration risk with a sizeable chunk of earnings contributed by electron beam cables – The share of specialty grade cables (mostly comprising e-beam cables) in the company's revenue mix has been above 90% in the last three fiscals. Although a high revenue share from e-beam cables has supported STPL's above-average operating margins, it makes the company highly dependent on the demand for one product segment. Any sustained moderation in demand for e-beam cables could adversely impact the company's sales growth and profitability. Nevertheless, the diversification of the customer base and the company's focus on customised offerings are expected to strengthen its market position and support business growth over the medium to long term. This is reflected in the addition of silicon cables to its product portfolio to cater to the growing EV industry.

Vulnerability of profitability to volatility in raw material prices; increased competition hits profit margins – Copper and aluminium are the main raw materials used by the company and account for 80-90% of the overall raw material expenses. While the volatility in metal prices (copper and aluminium) is partly hedged through its order-backed inventory and presence of price variation clause in some contracts, the company remains exposed to margin volatility for the balance raw materials, which mainly include insulation compounds. As a result, the profit margin remains susceptible to the volatility in raw material prices because of constrained pricing flexibility, intense industry competition and limited bargaining power with customers.

The competition has increased with the entry of several new players in the e-beam cables segment in recent years. As a result, the operating profit margin slipped to ~14.0% in FY2026 from 19.0-25.5% prevailing between FY2019 and FY2021. With increased competition in the e-beam cables segment, ICRA believes that STPL's margins are unlikely to revert to the historical highs witnessed during FY2019-FY2021, and that growth in earnings would primarily be driven by scale expansion and capacity additions.

High working capital intensity of operations – The company's operations remain working capital intensive owing to the high collection period on the back of low bargaining power with large institutional customers. This is reflected in the net working capital relative to the operating income (NWC/OI) of 48% in FY2026.

Liquidity position: Adequate

STPL's liquidity profile is expected to remain adequate, supported by sizeable free cash balance and a liquid investment portfolio of around Rs. 230 crore as of end-March 2026. The company continues to generate healthy cash flow from operations, which along with a moderate utilisation of its working capital limits, provides financial flexibility. Further, STPL's liquidity is supported by the enhancement in its fund-based working capital facilities to Rs. 780 crore, which is expected to provide additional liquidity cushion and strengthen its overall liquidity position, going forward. The liquidity profile is also aided by moderate debt repayment obligations of around Rs. 13 crore in FY2027 and Rs. 25 crore in FY2028, which are expected to remain comfortably serviced through internal accruals and available liquidity.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company demonstrates a substantial increase in its revenue and profitability, while maintaining a healthy liquidity position, low leverage and strong debt coverage metrics.

Negative factors – Pressure on the ratings could emerge in case of a significant decline in its revenue and profitability on a sustained basis and/or if its liquidity position deteriorates. Any large debt-funded capex adversely impacting the leverage and coverage metrics on a sustained basis may also trigger a downgrade. A specific metric for downgrade would be a total debt/OPBDITA of more than 2 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of STPL

About the company

STPL was incorporated in 1994 and was promoted by Mr. P. Damodaran and his wife Ms. Padma Damodaran. The company began the production of specialty wires and cables from 2002. It has a manufacturing facility in Puducherry with a capacity of 15 MT/day and uses the electron beam irradiation technology for cable curing. STPL had set up its first e-beam accelerator machine in FY2009.

In FY2015, the company set up its second electron beam accelerator to diversify into the railway business. Initially, the company catered only to the telecom industry but over the years it has diversified its customer base across several industries, with the railways being the major customer segment. The company has increased its production capacity to 45 MT/day from 15 MT/day by setting up a new unit in the vicinity of the old plant in Puducherry.

Key financial indicators (audited)

STPL	FY2024	FY2025	FY2026*
Operating income	852.20	1061.59	1429.29
PAT	80.78	103.70	139.82
OPBDIT/OI	13.76%	14.24%	14.04%
PAT/OI	9.48%	9.77%	9.78%
Total outside liabilities/Tangible net worth (times)	0.38	0.46	0.63
Total debt/OPBDIT (times)	1.1	1.5	1.9
Interest coverage (times)	10.1	12.1	9.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Oct 12, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based facilities	Long term	780.00	[ICRA]A+ (Stable)	Aug 26, 2025	[ICRA]A+ (Stable)	28-Jun-2024	[ICRA]A (Stable)	06-Apr-2023	[ICRA]A (Stable)
Term loans	Long term	125.39	[ICRA]A+ (Stable)	Aug 26, 2025	[ICRA]A+ (Stable)	28-Jun-2024	[ICRA]A (Stable)	06-Apr-2023	[ICRA]A (Stable)
Interchangeable limits^^	Short term	(80.00)	[ICRA]A1	Aug 26, 2025	[ICRA]A1	28-Jun-2024	[ICRA]A1	06-Apr-2023	[ICRA]A1
Non-fund based	Short term	-	-	Aug 26, 2025	[ICRA]A1	28-Jun-2024	[ICRA]A1	06-Apr-2023	[ICRA]A1
Unallocated facilities	Long term and short term	-	-	Aug 26, 2025	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund based limits	Simple
Term loan	Simple
Interchangeable limits	Simple
Non-fund based limits	Simple
Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	Fund based facilities	NA	NA	NA	780.00	[ICRA]A+ (Stable)	RBI
NA	Term loan	FY2025	NA	FY2031	125.39	[ICRA]A+ (Stable)	RBI
NA	Interchangeable limits	NA	NA	NA	(80.00)	[ICRA]A1	RBI

Source: Company

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[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

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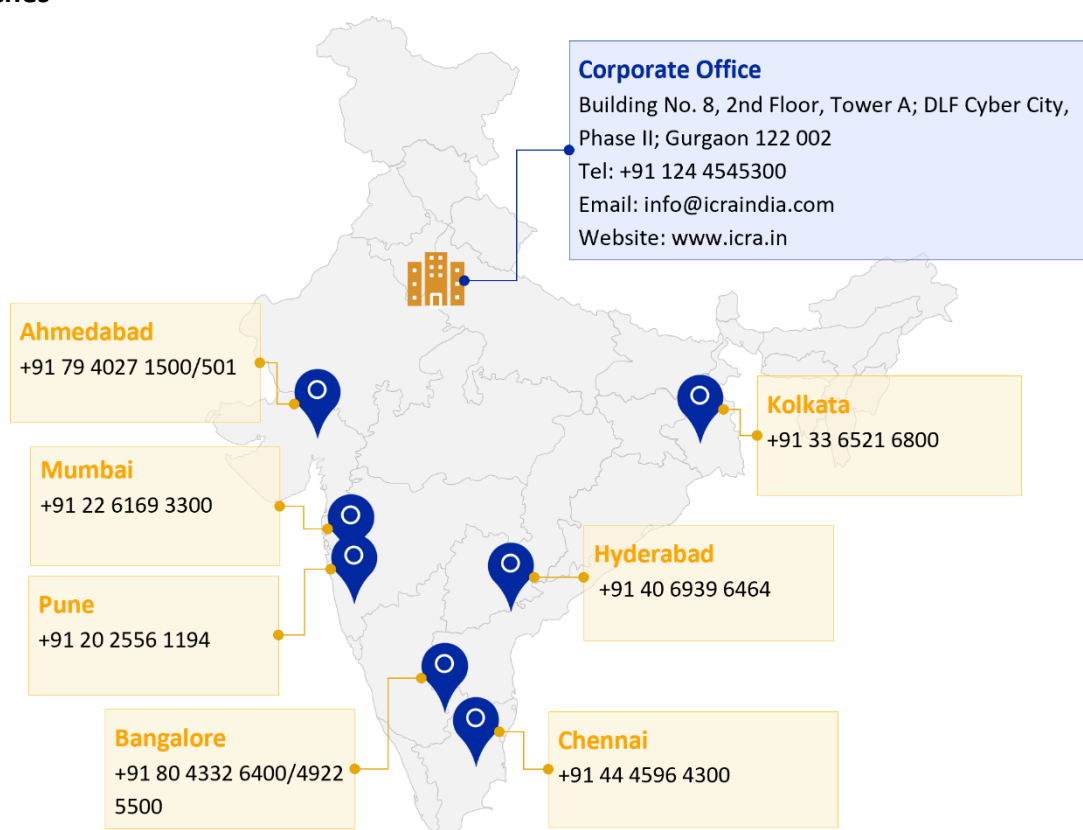
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