



**Press Release**  
**SECON**  
**June 27, 2023**

**Rating Downgraded, Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.40	ACUITE BB   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	15.60	-	ACUITE A4+   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	25.00	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.9.40 crore bank facilities and reaffirmed its short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.15.60 crore bank facilities of Secon. The rating downgraded is on the account of information risk. This rating is now an indicative rating and is based on the best information available.

**About the Company**

Established in the year 1987, Secon is a partnership firm engaged in the fabrication of spares for marine, various steel plants and other allied industries. The firm is being managed by Mr. T. Mahidhar Chowdary, Mr. T. Rajeshwari Chowdary and Mr. T. Rohit Chowdary. The firm is based in Vishakhapatnam, Andhra Pradesh and caters to reputed clients such as Indian Oil Corporation Limited, Telangana Tourism Development Corporation, Director General Naval Projects and Ocean sparkle Limited , to name a few.

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

## Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

### **Material Covenants**

None

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

### **Outlook**

Not Applicable

### **Key Financials:**

The rated entity has not shared the latest financials for Acuite to comment

### **Any other information**

None

### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### **Note on Complexity Levels of the Rated Instrument**

In order to inform the investors about complexity of instruments, Acuité 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
19 Apr 2022	Bank Guarantee	Short Term	15.60	ACUITE A4+ (Reaffirmed)
	Working Capital Demand Loan	Long Term	0.90	ACUITE BB+   Stable (Reaffirmed)
	Standby Line of Credit	Long Term	0.50	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BB+   Stable (Reaffirmed)
21 Jan 2021	Working Capital Demand Loan	Long Term	0.92	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB+   Stable (Reaffirmed)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
	Proposed Standby Line of Credit	Long Term	0.48	ACUITE BB+   Stable (Assigned)
	Proposed Cash Credit	Long Term	3.00	ACUITE BB+   Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	10.60	ACUITE A4+ (Reaffirmed)
04 Dec 2020	Cash Credit	Long Term	5.00	ACUITE BB+   Stable (Upgraded from ACUITE BB   Stable)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)

## 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/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	15.60	ACUITE A4+   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE BB   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE BB   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	0.90	ACUITE BB   Downgraded   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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