

February 26, 2026

Secon Private Limited:Rating Reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based - Cash credit	6.50	6.50	[ICRA]A(Stable); Reaffirmed
Short-term - Non-fund based - Others	58.50	58.50	[ICRA]A1 ; Reaffirmed
Total	65.00	65.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation for Secon Private Limited (SPL) factors in its healthy unexecuted order book position of Rs. 377 crore [viz. 3.6 times based on its operating income (OI) of FY2025] as on January 31, 2026, which provides medium-term revenue visibility. The ratings derive strength from SPL's strong financial risk profile, characterised by low leverage, a strong liquidity position and sustained healthy profitability, resulting in robust debt protection metrics. Although the operating profit margin moderated to 18% in FY2025 from 20% in the previous year, due to slower execution of certain key orders, it remains comfortable and is expected to be sustained at the current levels. This is supported by the company's in-house survey and investigation capabilities, which enable faster turnaround times and greater control over quality and costs. The ratings factor in SPL's established track record in engineering and project consultancy, along with its diversified presence across multiple segments, including oil and gas pipelines, irrigation, highways, water supply and land records survey.

The ratings, however, remain constrained by SPL's high working capital intensity owing to the elongated receivable position. Despite YoY improvement, the debtor days remained on a higher side (205 as on March 31, 2025, Vs. FY2024: 231 days) on account of a large share of long-duration design and survey projects, along with dominance of Government entities in its client base, which have long payment approval cycles. Any write-off of receivables, which impacts its profitability and net worth position, would remain a key monitorable. The ratings are constrained by the high sectoral concentration risk, with the pipeline division accounting for 41% of revenues in FY2025 and 31% of the unexecuted order book as on January 31, 2026. While SPL enjoys a strong market position in certain niche segments, its scale of operations remains modest against other established and much larger peers. The company's revenues remained range-bound within Rs. 80-110 crore over the past five years, indicating stiff competition, which may result in sustained pricing pressure. It does not have any material organic/inorganic growth plans that may constrain its upside potential.

The Stable outlook on the long-term rating reflects ICRA's expectation that despite modest revenue growth, the company will sustain its healthy financial profile, with debt-free position and strong liquidity.

Key rating drivers and their description

Credit strengths

Established position in engineering and project consultancy services – The company has over three decades of track record in providing engineering and project consultancy services. It has diversified presence across multiple disciplines such as oil and gas pipelines, highway engineering and construction supervision, irrigation, flood control and water management, establishment of GIS-based property ownership records and geo-spatial solutions. This long operating history and multi-segment presence support its business profile and execution capabilities.

Healthy order book providing medium-term revenue visibility – The company had a healthy order book position of Rs. 377

crore as on January 31, 2026, translating into OB/OI (FY2025) of 3.6 times, providing medium-term revenue visibility. The order book comprises export services, which accounted for 13% of revenues in FY2025 (FY2024: 17%).

Strong financial risk profile –SPL’s profitability metrics remain healthy, supported by its backward integration into geotechnical investigation and engineering surveying, which helps to achieve a faster turnaround and greater control over costs. In addition, the company has a strong in-house software team, which helps to improve the operational efficiency through development of new tools. Its financial risk profile is characterised by healthy profitability margins and net worth, sustained negative net debt levels and strong liquidity position as reflected in free cash balances and liquid investments of ~Rs. 180 crore as on January 31, 2026.

Credit challenges

Modest scale of operations – The company’s revenues remained flat on a YoY basis in FY2025 and have been range-bound within Rs. 80-110 crore over the last few years, indicating stiff competition in the engineering consultancy industry, which results in pricing pressure. However, given the healthy order inflows in YTD FY2026 (viz. ~Rs. 178 crore), ICRA expects SPL’s revenues to grow by over 8-10% in FY2027.

High working capital intensity owing to elongated receivable cycle – SPL’s working capital intensity remained high owing to the elevated receivable position. The debtor days stood at 205 as on March 31, 2025 (FY2024: 231 days) as the clientele predominantly constitutes Government entities, wherein typically the payment approval cycles remain long. However, the company has been meeting its working capital funding requirements from internal accruals with limited dependence on debt.

Sectoral concentration with orders primarily from pipeline and land records divisions – The company is exposed to high sectoral concentration risk with the pipeline division accounting for 41% of revenues in FY2025 (FY2024: 39%). Further, the order book is concentrated with the pipeline (31%) and geotech survey (35%) segments together accounting for 66% of the order book as on January 31, 2026. Nonetheless, SPL’s established presence in various disciplines is likely to partly mitigate this risk, going forward.

Liquidity position: Strong

The company’s liquidity position is expected to remain strong, aided by positive cash flow from operations, marginal capex plans, sizeable free cash and liquid investments on books (~Rs. 180 crore as of January 2026), apart from the buffer in fund-based working capital lines. The average utilisation over the 12 months that ended in October 2025 stood at 23% against the sanctioned limits of Rs. 6.5 crore. Any share buyback, as undertaken in YTD FY2026 (~Rs. 14 crore), is likely to be modest. The entity maintains debt-free position, which supports its liquidity profile.

Rating sensitivities

Positive factors – The ratings can be upgraded if the company achieves any significant scale-up in its revenues with diversification in business risk profile, while maintaining its profitability margins, along with reduction in its working capital intensity.

Negative factors – Pressure on the ratings could arise if the company’s liquidity weakens due to material deterioration in its receivable position and/or sizeable dividend payout and/or any inorganic expansions. Further, any material decline in SPL’s revenues and profitability may lead to pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

SPL, incorporated in 1981, is an integrated design and engineering consultancy firm with operations spanning across several sectors such as oil and gas pipeline transportation, highways, irrigation, public health engineering, electrical and urban development. The company provides end-to-end solutions for geospatial and design engineering services, which include dynamic data capture, processing, presentation, design and drafting, photogrammetric, light detection and ranging (LiDAR), Geographical Information System (GIS)-based customisation and application development. SPL has in-house multitask/skill solutions for design engineering and related investigations, in-house testing, and research and development services including geospatial solutions. While the company's services extend to both the pre-construction and post-construction stages, its activities are mostly focused on the pre-construction stage, where it caters usually to Government clients/public sector undertakings.

Key financial indicators (audited)

Secon Private Limited (Standalone)	FY2024	FY2025
Operating income (Rs. crore)	109.5	106.3
PAT (Rs. crore)	14.8	20.3
OPBDITA/OI	20.0%	18.1%
PAT/OI	13.5%	19.1%
Total outside liabilities/tangible net worth (times)	0.2	0.1
Total debt/OPBDITA (times)	0.0	0.0
Interest coverage (times)	42.3	32.0

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.
 PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	February 26, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Non-fund based - Others	Short-term	58.50	[ICRA]A1	December 05, 2024	[ICRA]A1	November 03, 2023	[ICRA]A1	September 09, 2022	[ICRA]A1
Fund-based - Cash credit	Long-term	6.50	[ICRA]A(Stable)	December 05, 2024	[ICRA]A (Stable)	November 03, 2023	[ICRA]A (Stable)	September 09, 2022	[ICRA]A (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Short-term - Non-fund based - Others	Simple

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 / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash credit	-	-	-	6.50	[ICRA]A (Stable)
NA	Non-fund based – Others	-	-	-	58.50	[ICRA]A1

Source: Company

[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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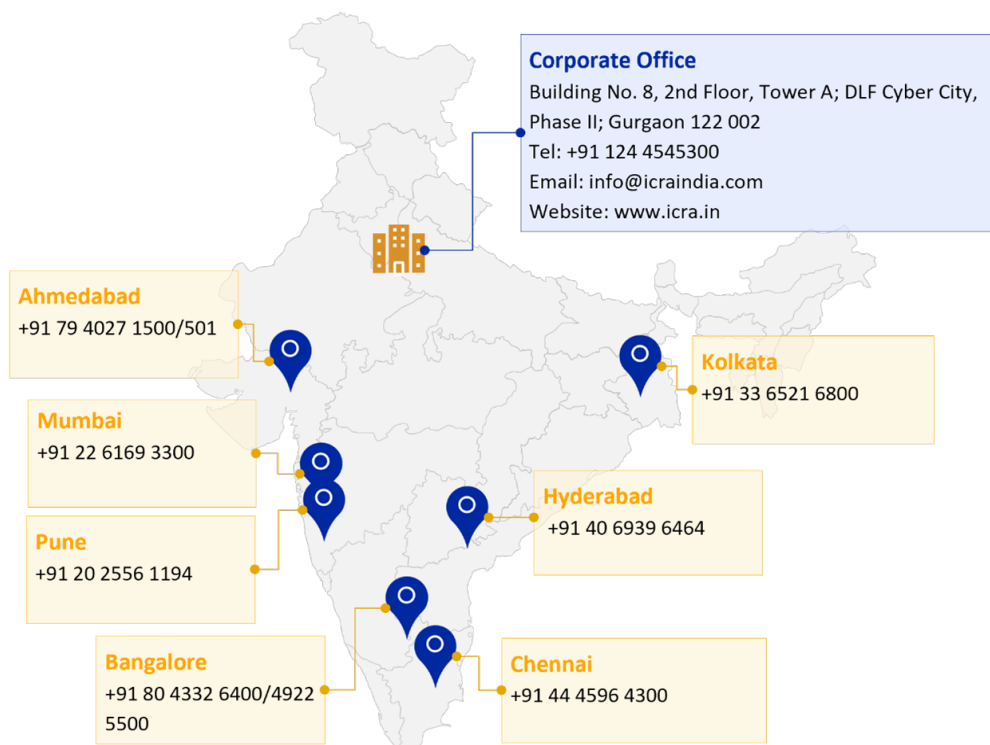


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