



Press Release

All Services Global Private Limited

June 28, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities – Term Loan	28.87 (decreased from Rs.37.78 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Revised	Simple
Long Term Fund Based Bank Facilities – Cash Credit	35.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Revised	Simple
Proposed Long Term Fund Based Bank Facilities – Cash Credit	10.48	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Revised	Simple
Short Term Non Fund Based Bank Facilities – Bank Guarantee	35.00	IVR A3+ (IVR A Three Plus)	Revised	Simple
Proposed Short Term Non Fund Based Bank Facilities – Bank Guarantee	8.91	IVR A3+ (IVR A Three Plus)	Assigned	Simple
Short Term Non Fund Based Bank Facilities – Letter of Credit	6.74	IVR A3+ (IVR A Three Plus)	Revised	Simple
Total	125.00 (Rupees One Hundred Twenty Five crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The revision to the ratings assigned to the bank facilities of All Services Global Private Limited (ASGPL) takes into account experienced management and established track record of operation, healthy relationships with clientele, improvement in operating performance and



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profitability and healthy capital structure and debt protection metrics. The ratings are, however, constrained by working capital intensive nature of operations, tender nature of operations, dependence on availability of requisite manpower and highly fragmented & competitive nature of facility management sector.

Key Rating Sensitivities:

Upward Factors

- Sustained increase in scale of operation of more than 20% with improvement in cash accruals.
- Improvement in profitability with EBITDA margin above 12% on a sustained basis.
- Improvement in capital structure with reduction in overall gearing below 0.25x.

Downward Factors

- Decrease in operating income and/or profitability impacting the debt coverage indicators on a sustained basis.
- Deterioration in the overall gearing ratio above 1x.
- Deterioration in operating cycle above 150 days impacting the liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced management and established track record of operation

All Services Global Private Limited (ASGPL) was incorporated in 1990 by Mr. Suresh Verma and Ms. Sonal Chitroda who are promoters of the company. The company benefits from the extensive experience of its promoters and the Group's established presence, three decades of long experience in the facility management industry which helps in procuring repeat orders from established customers.

Healthy relationships with clientele

ASGPL successful track record coupled with its diverse service offerings and pan India presence have helped it in establishing a wide customer base includes the entities such as, Office of SE (O&M) Circle M.P.P.K.V.V. Co. Ltd, West Bengal Medical Services Corp. Ltd, Northern Railway, Electronics Corporation of India, UP Hospitals, Principal MLB Medical College, Tirumala Tirupati Devasthanams, U N Mehta Institute of Cardiology & Research Centre, South Western Railway – Yashwantpur, Oil and Natural Gas Corporation Ltd, IIT-Gandhi Nagar etc resulting in repeat business.



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Improvement in operating performance and profitability

The group's revenue remained range bound around Rs.315 crore in FY20-21 due to lower service requirements due to covid-19. However, it improved substantially by 20.07% in FY22 to Rs.369.34 crore from Rs.307.58 crore in FY21 due to increase in volume of sales basis completion of work order. In FY23, A1 group's revenue increased by 21.48% to Rs.448.68 crore from Rs.369.34 crore in FY22 due to increase in volume of sales basis completion of work order.

The group's profitability has remained stable over the last three years. The group's EBITDA margin decreased to 9.86% in FY22 from 10.77% in FY21. The decline in profitability is majorly due to increase in employee cost in FY22. However, the PAT margin has improved to 6.56% in FY22 as compared to 5.62% in FY21. The increase in PAT margin is majorly due to lower depreciation charged as well as accretion of profits to reserves. A1's GCA improved to Rs.28.85 crore in FY22 as compared to Rs.21.79 crore in FY21.

In FY23, it reported a steep increase in the EBITDA levels to Rs.48.30 crore as compared to Rs.36.42 crore in FY22 due to better operating efficiency of the group in FY23. In line with this, the net profit has improved to Rs.29.30 crore in FY23 as compared to Rs.24.49 crore in FY22 due to accretion of profits to reserves. FY23 Financials are provisional.

Healthy capital structure and debt protection metrics

Financial risk profile of the group is marked by healthy capital structure and debt protection metrics. Its capital structure has improved with adjusted overall gearing and adjusted TOL/TNW ratios at 0.47x and 0.74x respectively as on March 31, 2023 as against 0.57x and 1.02x respectively as on March 31, 2022. The improvement in capital structure is due to accretion of profits to reserves.

The debt protection metrics remained healthy with interest coverage ratio and Total debt/ GCA ratio of 4.93x and 2.46x respectively in FY23 against 3.52x and 2.84x respectively in FY22.

Key Rating Weaknesses

Working capital intensive nature of operations

The group's operations are working capital intensive on account of high debtor days, credit from suppliers is around 15 days and credit extended to customers is around 30-180 days. Timely recovery of receivables and efficient utilization of working capital facilities will be a key rating monitorable. In FY23, the operating cycle was high at 97 days as against 130 days in FY22. The average collection period was 105 days in FY23 as against 146 days in FY22. The



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average creditor period was 8 days in FY23 as against 15 days in FY22. Low bargaining power with customers lead to large debtor days.

Tender based nature of operations:

The company's operations are tender based. The company deals with government entities and bids for contracts. The tender based business model may restrict pricing power and profitability. However, the risk is mitigated due to the long track record of operations and experienced management.

Dependence on availability of requisite manpower

The company caters to a wide customer base with a workforce of around 14,000 personnel. The need to train security personnel is imperative due to specialized nature of the job and managing attrition is equally critical as a higher rate may lead to an increase in the training costs. The company hires through referrals, advertising, Walk ins, and placement agencies. It provides training to the new recruits enabling them to perform their duties.

Highly fragmented & competitive nature of Facility Management sector

The domestic facility management sector is highly competitive with presence of many players with varied statures & capabilities. Further, the tender based nature of majority projects also augments the competition. Procuring of sizable ticket size and tenure contracts at remunerative price levels along while an optimum utilisation of manpower resources remains crucial for maintaining adequate profitability in the hospitality and the facility management business.

Analytical Approach: Consolidated

For arriving at the ratings, INFOMERICS has combined the financials of All Services Global Private Limited (ASGPL) and A1 Facility and Property Managers Pvt Ltd (A1 Facility), together referred to as the A1 group. This is because A1 Facility is a 100% subsidiary of ASGPL, both the entities are in the same business with common promoters. Furthermore, ASGPL have given the Corporate Guarantee to the bank facilities of A1 facility.

Applicable Criteria:

[Policy on Default Recognition](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Service Sector Companies](#)



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

[Criteria on Consolidation](#)

Liquidity: Adequate

A1's liquidity position remained adequate marked by current ratio of 2.37x as on March 31, 2023. The GCA has also improved from Rs.28.85 crore in FY22 to Rs.33.80 crore in FY23. The group's cash accruals are sufficient to meet its repayments in FY24-25. The average utilisation of its fund based working capital facilities is 79.93% in the 12 months ended March 2023, giving it sufficient headroom. The company has recently completed a CAPEX for setting up and operating mechanized laundry with a capacity of laundering 20 tons linen per day by Western Railway, Mumbai. The implementation of the project was started in 2019 but was hampered because of lockdown due to Covid-19. The implementation was resumed in March 2022 when Railway board announced supply of Linen on trains at Pre-covid level. Till March 31, 2022 CAPEX of Rs.15.47 crore was incurred and further expenditure of Rs.7.50 crore was incurred in completing the project in FY23. The capex was funded by way of term loan of Rs.11.53 crore, and balance of Rs.11.44 crore by way of internal accruals/equity infusion. The company has no major plans to capex in FY24-25.

About the company

Mumbai based All Services Global Private Limited (ASGPL) was established in 1991. The company is involved in providing integrated facility management services such as hospitality, commercial cleaning, building maintenance, hospital support, corporate support, industrial laundry, skill development and training. The company is promoted by Mr. Suresh Verma and Ms. Sonal Chitroda. A1 Facility and Property Managers Pvt Ltd (A1 Facility) incorporated in 2007, is a wholly owned subsidiary of ASGPL, which is also involved in a similar line of business.

Financials (Consolidated):

(Rs. crore)

For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Provisional)
Total Operating Income	369.34	448.68
EBITDA	36.42	48.30
PAT	24.49	29.30
Total Debt	82.06	83.16



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For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Provisional)
Adjusted Tangible Network	133.00	165.77
Ratios		
EBITDA Margin (%)	9.86	10.76
PAT Margin (%)	6.56	6.50
Adjusted Overall Gearing Ratio (x)	0.57	0.47

*Classification as per Infomerics' standards

Financials (Standalone): ASGPL

(Rs. crore)

For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Provisional)
Total Operating Income	220.42	290.88
EBITDA	24.63	35.03
PAT	15.72	18.54
Total Debt	75.14	68.94
Adjusted Tangible Network	111.30	133.17
Ratios		
EBITDA Margin (%)	11.17	12.04
PAT Margin (%)	7.09	6.34
Adjusted Overall Gearing Ratio (x)	0.62	0.48

*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 Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (April 5, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	28.87	IVR BBB/ Stable	IVR BBB-/ Stable	-	-
2.	Cash Credit	Long Term	35.00	IVR BBB/ Stable	IVR BBB-/ Stable	-	-
3.	Proposed Cash Credit	Long Term	10.48	IVR BBB/ Stable	IVR BBB-/ Stable	-	-
4.	Bank Guarantee	Short Term	35.00	IVR A3+	IVR A3	-	-
5.	Letter Of Credit	Short Term	6.74	IVR A3+	IVR A3	-	-



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		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (April 5, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
6.	Proposed Bank Guarantee	Short Term	8.91	IVR A3+	-	-	-

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Term Loan	-	-	February 2038	28.87	IVR BBB/ Stable
Cash Credit	-	-	-	35.00	IVR BBB/ Stable
Proposed Cash Credit	-	-	-	10.48	IVR BBB/ Stable
Bank Guarantee	-	-	-	35.00	IVR A3+
Letter Of Credit	-	-	-	6.74	IVR A3+
Proposed Bank Guarantee	-	-	-	8.91	IVR A3+

Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Extent of Consolidation
All Services Global Private Limited	Full
A1 Facility and Property Managers Private Limited	Full

Annexure 3: Facility wise lender details <https://www.infomerics.com/admin/prfiles/Len-ASGPL-28062023.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.