



## Press Release

### A P Securitas Private Limited

November 09, 2022

#### Ratings

Facilities	Amount (Rs. crore)	Rating	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities – Cash Credit	34.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Rating reaffirmed and Outlook revised from Positive and simultaneously Withdrawn	Simple
Short Term Bank Facilities – Sales Invoice Discounting	15.00	IVR A3+ (IVR A Three Plus)	Reaffirmed and withdrawn	Simple
Short Term Bank Facilities – Bank Guarantee	15.00	IVR A3+ (IVR A Three Plus)	Reaffirmed and withdrawn	Simple
<b>Total</b>	<b>64.00 (Rupees Sixty Four crore only)</b>			

*Ratings withdrawn based on withdrawal request of the company and No Objection Certificate issued by the lender.*

Infomerics had rated bank facilities of Rs.64.00 crore. The client has provided “No objection certificate” from the lender for withdrawal of rating assigned to bank facilities of Rs.64.00 crore.

#### **Details of Facilities are in Annexure 1**

#### **Rating Action**

Infomerics has reaffirmed the ratings and revised the Outlook from Positive to Stable and simultaneously withdrawn the ratings based on the client's request and upon receiving No Objection Certificate issued by the lender.

#### **Detailed Rationale**

The ratings are withdrawn in accordance with Infomerics' policy on withdrawal.

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from experienced promoter and senior management with long track record, established position in the security industry, increasing scale of operations with moderate profitability and moderate capital structure and debt coverage indicators. However, the rating strengths are partially offset by large investments in group companies coupled with guarantees on behalf of subsidiaries and highly competitive industry.

### **Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Experienced promoter and senior management with long track record**

APSPL was promoted by Mr. Anil Puri in 1986 to provide security services, the flagship company of APS group. The group has grown to provide a variety of service verticals such as Facilities Management, Telecom Support Service, Outsourcing and High-end Security Solutions.

##### **Established position in the security industry**

APSPL is a well-known brand in the private security industry and has a long history, having been established way back in 1986. APS group has a pan-India presence with a network of over 100 branches situated across 26 states and 7 union territories. APSPL has built up a client base across industries including Banks, NBFCs, Educare, Hotels and Government Departments.

##### **Increasing scale of operations with moderate profitability**

APSPL's total operating income has shown an increasing trend over a period of past 5 years. Its total operating income increased by 28.61% to Rs.446.79 crore in FY22 (Provisional) from Rs.347.23 crore in FY21. EBITDA and PAT improved to Rs.23.48 crore and Rs.12.06 crore in FY22 (Provisional) from Rs.17.37 crore and Rs.9.46 crore in FY21 respectively. GCA improved to Rs.14.74 crore in FY22 (Provisional) from Rs.12.11 crore in FY21. EBITDA margin stood at 5.26% in FY22 (Provisional; FY21: 5.00%) while PAT margin stood at 2.69% in FY22 (Provisional; FY21: 2.71%).

##### **Moderate capital structure and Debt Coverage Indicators**

APSPL's overall gearing ratio stood at 0.82x as on March 31, 2022 (Provisional; 0.70x as on March 31, 2021). TOL/TNW also stood comfortable at 1.69x as on March 31, 2022 (Provisional; 1.55x as



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on March 31, 2021). The interest coverage ratio improved to 4.87x in FY22 (Provisional) from 4.50x in FY21 led by improvement in operating profit.

### **Key Rating Weaknesses**

#### **Large investments in group companies coupled with guarantees on behalf of subsidiaries**

APSPL has large investments in subsidiaries and group companies at ~22% of its Tangible Net Worth as on March 31, 2022 (Provisional). However, the aggregate revenue and PAT is low from these companies. APSPL has also extended guarantees on behalf of its subsidiaries (Rs.27.69 crore as on March 13, 2021).

### **Highly competitive industry**

The security service industry is highly fragmented with low differentiation leading to the company facing stiff competition both from the organised and unorganised sector players. This has a consequential impact on pricing and, in turn, to lower profitability. However, APSPL has been able to establish a strong presence with its long track record and a wider array of services including facilities management and security consultancy.

### **Analytical Approach:** Standalone

### **Applicable Criteria:**

[Policy on withdrawal of rating](#)

[Rating Methodology for Service sector entities](#)

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

[Criteria of assigning Rating Outlook](#)

### **Liquidity – Adequate**

APSPL's liquidity appears to be adequate with current ratio of 1.55x as on March 31, 2022 (Provisional) and 1.59x as on March 31, 2021. Cash and Bank balance stood at Rs.9.37 crore as on March 31, 2022 (Provisional). APSPL has sufficient cash accruals as against the long-term debt repayment obligations.



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### About the Company

A P Securitas Private Limited (APSPL) is a flagship company of APS Group. The company was incorporated in 1986 with Mr. Anil Puri as the Chairman. Mr. Puri holds a degree in Hotel Management and has over 30 years of experience in the security services industry, having been at the helm of operations of APSPL since its inception. The company has a pan India presence with 133 branches situated across 26 states and 7 union territories. It has built up a client base across industries including Banks, NBFCs, Educational Institutions, Hotels and Government Departments.

### Financials (Standalone):

(Rs. crore)		
For the year ended* As on	31-03-2021	31-03-2022
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	347.23	446.79
EBITDA	17.37	23.48
PAT	9.46	12.06
Total Debt	47.61	66.20
Tangible Net worth	68.38	80.92
<b>Ratios</b>		
EBITDA Margin (%)	5.00	5.26
PAT Margin (%)	2.71	2.69
Overall Gearing Ratio (x)	0.70	0.82

\*Classification as per Infomerics' standard

**Status of non-cooperation with previous CRA:** None

**Any other information:** None



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### Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (PR dated December 16, 2021)	Date(s) & Rating(s) assigned in 2020-21 (PR dated September 17, 2020)	Date(s) & Rating(s) assigned in 2019-20 (PR dated September 03, 2019)
1.	Cash Credit	Long Term	34.00	IVR BBB/ Stable and Withdrawn	IVR BBB/ Positive	IVR BBB/ Positive	IVR BBB/ Stable
2.	Sales Invoice Discounting	Short Term	15.00	IVR A3+ and Withdrawn	IVR A3+	IVR A3+	IVR A3+
3.	Bank Guarantee	Short Term	15.00	IVR A3+ and Withdrawn	IVR A3+	IVR A3+	IVR A3+

### Name and Contact Details of the Rating Analyst:

Name: Devang Shah Tel: (079) 40393043 Email: <a href="mailto:devang.shah@infomerics.com">devang.shah@infomerics.com</a>	Name: Amit Bhuwania Tel: (022) 62396023 Email: <a href="mailto:abhuwania@infomerics.com">abhuwania@infomerics.com</a>
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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](http://www.infomerics.com).



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**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, suspend 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.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	34.00	IVR BBB/ Stable and Withdrawn
Sales Invoice Discounting	-	-	-	15.00	IVR A3+ and Withdrawn
Bank Guarantee	-	-	-	15.00	IVR A3+ and Withdrawn

**Annexure 2: List of companies considered for consolidated analysis:** Not applicable

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/Len-AP-securitas-nov22.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](http://www.infomerics.com).