



Press Release

All Services Global Private Limited (ASGPL)

August 20, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	90.30 (Enhanced from 63.87)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Reaffirmed	Simple
Short Term Facilities	65.00 (Enhanced from 41.74)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Reaffirmed	Simple
Long Term/ Short Term Facilities	9.70	IVR BBB/ Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	IVR BBB/ Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	Reaffirmed	Simple
Total	165.00 (Enhanced from 125.00)	(Rupees One Hundred and Sixty-Five Crore)			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of ASGPL takes into account experienced management and established track record of operation, healthy relationships with clientele, improvement in operating performance and 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.

Further, the outlook is maintained at stable as Infomerics Ratings believes that the group will continue to derive benefits from experienced management and strong order book position.

Key Rating Sensitivities:



Press Release

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

Improved scale of operations and healthy profitability margins:

A1 group's total operating income (TOI) improved significantly to Rs.575.51 crores in FY24 (P) (period refers to 01st April 2023 to 31st March 2024) as against Rs.491.27 crores in FY23 on account of timely execution of orders and 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 remained stable at 9.07% in FY24 (P) (FY23: 9.42%) and PAT margin stood 5.99% (FY23: 6.13%) due to stable interest cost. A1 group has achieved a TOI of Rs.182.75 crores in Q1FY25 as against Rs.135.24 crores in Q1FY24.

Healthy capital structure and debt protection metrics:

The capital structure as indicated by overall gearing ratio and total outside liabilities / adjusted net worth (TOL/ATNW) ratio improved and stood at 0.30x and 0.56x respectively as on March 31, 2024 (Prov.) {vis-à-vis 0.32x and 0.61x respectively as on March 31, 2022 } mainly on account of improvement net worth base backed by profit accretion. The debt coverage indicators as indicated by interest coverage ratio and total debt to gross cash accruals ratio though declined remained high and stood at 3.28x and 2.79x respectively in FY24 (Prov.) {FY23: 3.30x and 2.43x respectively} due to stable interest cost and improved cash accruals.

Experienced management and established track record of operation:



Press Release

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, Chhattisgarh State Marketing Corporation Limited, Indian Institute of Management Mumbai, Electronics Corporation of India Limited, Oil and Natural Gas Corporation Ltd, IIT Gandhi Nagar etc resulting in repeat business

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 FY24(P), the operating cycle was high at 94 days as against 83 days in FY23. The average collection period was 108 days in FY24(P) as against 96 days in FY23. The average creditor period was 14 days in FY24(P) as against 13 days in FY23. 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:



Press Release

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: Combined

For arriving at the ratings, Infomerics has combined the financials of All Services Global Private Limited (ASGPL), A1 Facility and Property Managers Pvt Ltd (A1 facility IVR BBB/Stable/A3+) and A1 Laundry services, together referred to as the A1 group. This is because A1 Facility is a 100% subsidiary of ASGPL and A1 Laundry being Associate company, with common promoters. Furthermore, ASGPL have given the corporate guarantee to the bank facilities of A1 facility.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria on Consolidation](#)



Press Release

Liquidity – Adequate

ASGPL's liquidity position remained adequate marked by current ratio of 2.93x as on March 31, 2023. The GCA has also improved from Rs.18.57 crore in FY22 to Rs.22.14 crore in FY23. The company's cash accruals are sufficient to meet its repayments in FY24-25. The average utilisation of its fund based working capital facilities is 80.67% in the 12 months ended March 2023, giving it sufficient headroom. The company has no major plans to capex in FY24-25.

About the Company

Mumbai based 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 (Combined):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023 Audited	31-03-2024 Provisional
Total Operating Income	491.27	575.51
EBITDA	46.62	52.17
PAT	30.20	34.67
Total Debt	83.30	109.25
Tangible Net Worth	166.63	198.99
EBITDA Margin (%)	9.49	9.07
PAT Margin (%)	6.13	5.99
Overall Gearing Ratio (x)	0.81	0.92
Interest Coverage (x)	3.30	3.28

* Classification as per Infomerics' standards.

Financials (Standalone):



Press Release

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Provisional
Total Operating Income	332.40	385.44
EBITDA	28.87	32.38
PAT	17.83	20.41
Total Debt	70.56	86.81
Tangible Net Worth	123.44	139.26
EBITDA Margin (%)	8.69	8.40
PAT Margin (%)	5.33	5.27
Overall Gearing Ratio (x)	1.02	1.18
Interest Coverage (x)	3.03	3.03

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information:

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (June 28, 2023)	Date (April 05, 2022)	--
1.	Term Loan	Long Term	34.74	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/ Stable	--
2.	Cash Credit	Long Term	55.00	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/ Stable	--
3.	GECL	Long Term	0.56	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/ Stable	--
4.	BG/ LC	Short Term	65.00	IVR A3+	IVR A3+	IVR A3	--
5.	Proposed	Long Term/ Short Term	9.70	IVR BBB/ Stable; IVR A3+	IVR BBB/ Stable; IVR A3+	IVR BBB-/ Stable; IVR A3	--

Analytical Contacts:

Name: Amey Joshi

Tel: (022) 6239 6023

Email: amey.joshi@infomerics.com



Press Release

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
--------------------------------	------	---------------------	---------------------	---------------	------------------------------------	--------------------------------



Press Release

Term Loan	--	--	--	Up to 2038	34.74	IVR BBB/ Stable
Cash Credit	--	--	--	--	55.00	IVR BBB/ Stable
GECL	--	--	--	Up to August 2024	0.56	IVR BBB/ Stable
BG/ LC	--	--	--	--	65.00	IVR A3+
Proposed	--	--	--	--	9.70	IVR BBB/ Stable; IVR A3+

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-AllServicesGlobal-aug24.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company/Entity	Consolidation/Combined Approach
All Services Global Private Limited	Combined
A1 Facility & Property Managers Private Limited	Combined
A1 Laundry Services	Combined

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.