



Press Release

First Global Services Private Limited

(Previously known as Orion Security Solutions Private Limited)

January 28, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	40.00 (including proposed limit of Rs. 15.00 crore)	IVR BBB-/ Stable (IVR triple B minus with Stable outlook)	IVR BB+/ Stable (IVR double B plus with Stable outlook)	Rating Upgraded	Simple
Short Term Bank Facilities	60.00 (reduced from Rs. 80.00 crore) (including proposed limit of Rs. 30.00 crore)	IVR A3 (IVR A three)	IVR A4+ (IVR A four plus)	Rating Upgraded	Simple
Total	100.00 (INR one hundred crore only)				

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 has upgraded the ratings assigned to the bank facilities of First Global Services Private Limited (FGSPL) is on account of improvement in receivable position during the current fiscal. Further, the ratings also continue to derive strength from its experienced promoter with long track record, established position in the security industry. Further, the ratings also consider comfortable capital structure and adequate debt coverage indicators. These rating strengths are partially offset by deterioration in company's financial performance in FY24 (refers to period April 1st, 2023, to Mar 31, 2024), moderate customer concentration risk and highly competitive industry

The outlook of the company is expected to remain stable as it is supposed to benefit from the extensive experience of the promoters coupled with comfortable capital structure adequate debt protection metrics and favourable industry outlook.



Press Release

Infomerics has also withdrawn the short rating of 'IVR A4+' assigned to proposed bill discounting facility of First Global Services Private Limited (FGSPL) with immediate effect. The withdrawal has been taken at the request of FGSPL. The ratings are withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in profitability leading to improvement in debt protection metrics and liquidity on a sustained basis
- Sustenance of the capital structure with improvement debt protection metrics
- Effective working capital management with improvement in operating cycle and liquidity

Downward Factors

- Moderation in revenue and/or moderation in profitability impacting the gross cash accruals on a sustained basis
- Moderation in the capital structure with overall gearing ratio deteriorated and deterioration in interest coverage ratio
- Elongation in the operating cycle with moderation in liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Improvement in receivables position

The company operates in a working capital-intensive industry marked by stretched collection period as the company deals with various government and private companies where collection is relatively slow. The company faces delays in receiving payments as bills are often sent back by clients for corrections that leads to higher debtor days. Since the clients are large and reputed, the company has limited bargaining power, which extends the payment cycle further. However, during the current fiscal, the old debtors have largely been recovered, which has reduced from 282.22 crore as on March 31, 2024 to 110.03 crore as on December 31, 2024.



Press Release

Experienced promoter with long track record

FGSPL was promoted by Major Ashutosh Jha in 2005 to provide security services, flagship company of Orion Group. The company has grown to provide a variety of service verticals such as Facilities Management, Integrated High-end Security Solutions.

Established position in the security industry

FGSPL is a well-known brand in the private security industry and has a long history, having been established way back in 2005. The company has a pan-India presence with a network of over 30,000+ manpower personnel servicing our customers through a branch & site network of over 52 offices across India. FGSPL has built up a client base across industries including Banks, NBFCs, Educare, Hotels and Government Departments.

Comfortable capital structure and adequate debt protection metrics

The capital structure of the company had remained comfortable with its satisfactory net worth base of Rs.167.81 crore supported by accretion of profits as on March 31, 2024. Further, the adjusted tangible net worth (ATNW) stood at Rs.165.16 crore (excluding Investments in joint venture of Rs.2.65 crore in FY24) (refers to period April 1st, 2023, to Mar 31, 2024). The capital structure of the company comprises of bank borrowings and minimal amount of term Loan. The overall gearing stood comfortable and moderated to 0.24x as on March 31, 2024 against 0.14x as on March 31, 2023. Long term debt to equity stood comfortable at 0.03x as on March 31, 2024 against 0.04x as on March 31, 2023. Overall indebtedness of the company marked by TOL/TNW has comfortable and stood at 1.38x as on March 31, 2024, against 1.47x as on March 31, 2023. Debt protection metrics remained comfortable, though interest coverage moderated to 2.58x as on March 31, 2024, against 6.09x as on March 31, 2023, and Debt Service Coverage Ratio at 2.05x as on March 31, 2024 with the increase in interest expenses and decline in absolute EBITDA.

Key Rating Weaknesses

Deterioration in company's financial performance in FY24

The total Operating Income of the company has declined by ~47.47% to Rs. 304.12 crore in FY24 from Rs. 578.92 Crore in FY23 (refers to period April 1st, 2022, to Mar 31, 2023) as the company has opted out of the running contracts due to stuck payments from few PSU clients.



Press Release

However, the company has achieved sales of Rs. 331.55 crore in 9MFY25 as compared to Rs. 226.95 crore in 9MFY24, depicting a growth of ~46.09% on account of additions of order from existing customers as well as addition of new client.

Moderate customer concentration risk

Though FGSPL has a diversified portfolio of customers cutting across various industries such as Banks, NBFCs, Educational Institutions, Hotels and Government Departments, the top 5 customers constituted 74% of its sales for FY24(refers to period April 1st, 2023, to Mar 31, 2024). However, the company has built strong relationships with its clients with long term engagements running back for 5-10 years.

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, FGSPL 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.

Highly fragmented and competitive industry

The industry is marked by presence of large number of organized and unorganized players with cut throat competition because of low entry barriers and moderate capital requirements. The highly competitive intensity limits the pricing flexibility and pressures on the margins of all participants.

Analytical Approach: Standalone.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)

[Policy On Withdrawal of Ratings](#)



Press Release

Liquidity – Adequate

The liquidity of the company is expected to remain adequate marked by its expected healthy gross cash accruals vis-à-vis its debt repayment obligations in the projected tenure. The company has earned a gross cash accrual of Rs.10.21 crore in FY24. Further, the company has projected to earn sufficient cash accruals in the range of ~Rs. 22.00 crore and Rs. 45.00 crore in comparison to its debt repayment obligation of Rs 1.00 crore to Rs 1.25 crore in the projected period of FY25 to FY27. Moreover, the average fund-based limit utilization of the company remained adequate at ~86%, indicating a satisfactory liquidity buffer.

About the Company

First Global Services Private Limited, was incorporated in the year 2010 as Orion Security Solutions Private Limited. The name of the company was changed to its present name in July 2024. The company is amongst the leading provider of new-age security & facility services with operations across Europe & Middle East. The company also provides the services of technical security solutions, investigation and verification, training and consulting services. The company has spread the network all over the country for 24x7 Total Security Services with headquarters at all metro and non-metro cities for sectors like hospitality and healthcare, education, BFSI, IT/ITES, telecommunications, industrials/engineering, power and energy, O & M, infrastructure, retails, malls, airport and transportation. The clientele of the company includes names like Directorate of Education, IIT, Axis Bank, SBI, Facebook, and discoms etc.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	578.92	304.12
EBITDA	22.99	14.34
PAT	18.31	9.43
Total Debt	21.56	38.85
Adjusted Tangible Net Worth	155.69	165.16
EBITDA Margin (%)	3.97	4.72
PAT Margin (%)	3.15	3.08
Adjusted Overall Gearing Ratio (x)	0.14	0.24
Interest Coverage (x)	6.09	2.58

*Classification as per Infomerics' standards.



Press Release

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S r. N o.	Name of Instrument/ 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
					(November 30, 2023)	(September 5, 2023)	(September 28, 2022)	(May 27, 2022)	-
1.	Cash Credit	Long Term	25.00	IVR BBB-/ Stable	IVR BB+/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+ ISSUER NOT COOPERATING*	-
2.	Proposed Cash Credit	Long Term	15.00	IVR BBB-/ Stable	IVR BB+/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3.	Bank Guarantee	Short Term	30.00	IVR A3	IVR A4+	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	-
4.	Proposed Bank Guarantee	Short Term	30.00	IVR A3	IVR A4+	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	-
5.	Bill Discounting	-	-	-	-	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	-
6	Proposed Bill Discounting	-	-	Withdrawn	IVR A4+	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	-

Analytical Contacts:

Name: Sandeep Khaitan

Tel: (033)- 46022266

Email: Sandeep.khaitan@infomerics.com

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).



Press Release

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	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit I	-	-	-	-	10.00	IVR BBB-/ Stable
Cash Credit II	-	-	-	-	15.00	IVR BBB-/ Stable
Proposed Cash Credit	-	-	-	-	15.00	IVR BBB-/ Stable
Bank Guarantee	-	-	-	-	30.00	IVR A3
Proposed Bank Guarantee	-	-	-	-	30.00	IVR A3
Proposed Bill Discounting	-	-	-	-	-	Withdrawn



Press Release

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-FGSPL-jan25.pdf>

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

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

