

July 23, 2025

A. P. Securitas Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash Credit	93.50	109.00	[ICRA]BBB+ (Positive); reaffirmed; assigned for enhance amount
Long-term Fund-based – Term Loans	21.73	-	-
Long-term Fund-based – Overdraft	1.00	-	-
Long-term/Short-term Non-fund Based – Bank Guarantee	35.88	38.00	[ICRA]BBB+ (Positive)/ [ICRA]A2; reaffirmed; assigned for enhance amount
Long term – Non-Fund Based – Capex LC	-	11.67	[ICRA]BBB+ (Positive); assigned
Short term –Fund Based – Inland Bill Discounting	-	5.00	[ICRA]A2; assigned
Long term/Short term – Unallocated	-	0.44	[ICRA]BBB+ (Positive)/ [ICRA]A2; assigned
Total	152.11	164.11	

*Instrument details are provided in Annexure-I

Rationale

ICRA has taken a consolidated rating view of A. P. Securitas Private Limited (APSPL) and its wholly owned subsidiary, Scientific Security Management Services Pvt Ltd (SSMS), given their common management and significant operational as well as financial linkages between the two entities, commonly referred to as the company or the Group.

The rating action reflects ICRA's expectation that the Group is likely to report a steady growth in revenues and earnings and maintain a comfortable capital structure and coverage metrics. This is expected to be supported by widening the customer base and geographical presence and increasing revenue contribution from the relatively higher-margin remote surveillance business. The ratings continue to positively factor in the Group's established position in the security manpower industry, supported by a strong and reputed client base. This has enabled consistent new business wins and high contract renewal rates. The Group has reported a healthy revenue increase with a five-year CAGR of approximately 18%, touching Rs. 1,118.0 crore in FY2025 (provisional). This was supported by organic expansion in the security manpower segment and ramp-up of facility management and surveillance services, contributing to revenue diversification. Operations are geographically diversified across India, with moderate customer concentration risk. ICRA expects the Group's capital structure to remain comfortable, as there are no major long-term debt-raising plans, which should support healthy debt service coverage metrics in the near-to-medium term. While the profit margins remain moderate due to intense competition in the traditional manned guarding segment, the Group's strategic diversification into high-value surveillance systems is expected to enhance its profitability.

The ratings are, however, constrained by the company's modest profitability, which stems from limited pricing flexibility in an industry marked by intense competition from both organised and unorganised players. Additionally, the ratings factor in the high working capital intensity of operations, driven by an elongated debtor cycle. As a result, the Group's working capital requirements remain sizeable, especially given their expanding operating scale. The Group has approximately Rs. 9.5 crore in long outstanding debtors for which provisions are yet to be made in the books, which will remain a monitorable key going forward.

Key Rating drivers and their description

Credit strengths

Established player in the security services industry, long experience of the promoters – The Group is one of the leading private security companies in India with a consolidated workforce of around 39,000 personnel as of March 2025. The company has an established brand in the private security business with over 130 branches spread across 27 states/Union Territories in India. Mr. Anil Puri, its founder, has experience of more than three decades in the security services and cash management industry. The Group is run by a professional and experienced management team, led by Mr. Vikas Chadha, the Group CEO. At a consolidated level, 85-90% of its revenue is derived from the security services business and the remaining comes from facility management and security surveillance systems.

Reputed client base with moderate customer concentration – The Group enjoys long-term relationships with reputed clients including banks, government institutions, public sector undertakings (PSUs), and large private corporations, among which banks contribute 35-40% to the Group's revenues. The company has moderate customer concentration risk with its top five customers accounting for 25-30% of its consolidated revenues in FY2025. It has a diversified geographical presence across the country with a strong foothold in northern India, particularly in Haryana, Punjab, Delhi and Uttar Pradesh, which generated 50-60% of the total revenues in FY2025.

Healthy revenue visibility and diversity due to established relationships with clients and high renewal rates – The Group enjoys healthy revenue visibility, supported by high contract renewal rates from established clients and a growing focus on acquiring new business from private corporates and Government tenders. On a provisional basis, it reported consolidated revenues of Rs. 1,118.0 crore in FY2025, reflecting a robust year-on-year growth of approximately 18%, driven by organic expansion in security services and scale-up in facility management. ICRA expects continued healthy growth, backed by a strong order book and further ramp-up in surveillance and facility management segments. With its established reputation in the private security industry, the Group is well positioned to consistently attract new business from both existing and new clients.

Credit challenges

Working capital intensive nature of operations – The Group's business remains working capital intensive due to an elongated receivable cycle, the need to extend credit to clients, and upfront payments for wages and statutory dues. With its ongoing focus on growth, the working capital requirements are expected to rise in line with the expanding scale of operations. Additionally, the Group has to provide substantial performance guarantees to bid for tenders from corporates, PSUs, and Government institutions, which increases its reliance on non-fund-based limits and associated margin money. ICRA notes that the Group has consistently enhanced its working capital limits annually to support this growth.

Restricted pricing flexibility owing to fragmented and competitive nature of the industry and high attrition rates – The private security industry is highly fragmented, with numerous unorganised players and a few organised ones. Intense competition and limited differentiation constrain the Group's pricing power, resulting in moderate margins. In FY2025 (provisional), the Group reported a modest operating profit margin (OPM) of approximately 4.1%, despite strong revenue growth, leading to moderate accruals. The OPM is expected to remain in the range of 3.5-4% in the near-to-medium term due to a dominant contribution from the competitive security segment. Additionally, the Group has benefited from tax deductions under Section 80JJAA of the Income Tax Act, 1961, which has supported cash accruals over the past two to three years.

Liquidity position - Adequate

The Group's liquidity position is adequate, supported by cash balances and liquid investments of Rs. 3-5 crore, along with an average buffer of approximately Rs. 16 crore in cash credit limits during April 2024 to May 2025. Annual debt repayments are modest at Rs. 4-5 crore for FY2026-FY2028, and moderate capex requirements are expected to be met through internal cash accruals. Working capital utilisation peaks during mid-month, aligned with payment cycles. ICRA also takes comfort from the promoters' consistent support through unsecured loans.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the Group demonstrate a steady increase in revenue and earnings, while maintaining comfortable credit metrics and adequate liquidity position on a sustained basis.

Negative factors – The outlook could be revised to Stable in case of a material decline in sales and earnings, adversely impacting the overall cash accruals and coverage indicators. A deterioration in the working capital cycle, affecting the company's liquidity position will also be negative for the ratings. Specific credit metrics that could lead to ratings downgrade include DSCR below 2.0 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered the consolidated financial statement of APSPL along with its subsidiaries, which are enlisted in Annexure-II.

About the company

The Group offers security services, facility management, manpower outsourcing, and extended solutions. Its flagship company, APSPL, was founded in 1986 and is among India's leading security providers, operating across 130 locations with a workforce of approximately 39,000 personnel. APSPL is ISO 9001:2008 certified and holds Private Security Agencies (Regulation) Act (PSARA) licences across 27 states/UTs. It serves a wide range of clients—including banks, PSUs, private firms, educational institutions, and malls—through manned guarding and IT-based surveillance. The Group was founded by Anil Puri, a pioneer in the private security sector, and is operationally led by Vikas Chadha, the Group CEO with 30 years of industry experience.

Key financial indicators

APSPL (Consolidated)	FY2024	FY2025*
Operating income	949.4	1,118.0
PAT	21.3	22.5
OPBDIT/OI	4.4%	4.1%
PAT/OI	2.3%	2.0%
Total outside liabilities/Tangible net worth (times)	1.5x	1.3x
Total debt/OPBDIT (times)	2.8x	2.3x
Interest coverage (times)	3.2x	3.3x

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation *Provisional financial shared by company, Note: All financial ratios as per ICRA's calculation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount Rated (Rs Crore)	July 23, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	109.00	[ICRA]BBB+ (Positive)	July 07, 2025	[ICRA]BBB+ (Positive)	May 16, 2024	[ICRA]BBB+ (Stable)	-	-	Mar 16, 2023	[ICRA]BBB+ (Stable)
Term Loan	Long term	-	-	July 07, 2025	[ICRA]BBB+ (Positive)	May 16, 2024	[ICRA]BBB+ (Stable)	-	-	Mar 16, 2023	[ICRA]BBB+ (Stable)
Overdraft	Long term	-	-	July 07, 2025	[ICRA]BBB+ (Positive)	May 16, 2024	[ICRA]BBB+ (Stable)	-	-	Mar 16, 2023	[ICRA]BBB+ (Stable)
Bank Guarantee	Long term / Short term	38.00	[ICRA]BBB+ (Positive)/ [ICRA]A2	July 07, 2025	[ICRA]BBB+ (Positive) / [ICRA]A2	May 16, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Mar 16, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2
Bill Discounting	Short term	-	-	-	-	-	-	-	-	Mar 16, 2023	[ICRA]A2
Capex LC	Long term	11.67	[ICRA]BBB+ (Positive)	-	-	-	-	-	-	-	-
Inland Bill Discounting	Short term	5.00	[ICRA]A2	-	-	-	-	-	-	-	-
Unallocated	Long term / Short term	0.44	[ICRA]BBB+ (Positive)/ [ICRA]A2	-	-	May 16, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Cash Credit	Simple
Long-term/Short-term Non-fund Based – Bank Guarantee	Very Simple
Long term – Non Fund Based – Capex LC	Very Simple
Short term –Fund Based – Inland Bill Discounting	Simple
Long term/Short term – Unallocated	Not Applicable

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	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	109.00	[ICRA]BBB+ (Positive)
NA	Bank Guarantee	NA	NA	NA	38.00	[ICRA]BBB+ (Positive) /[ICRA]A2
NA	Capex LC	NA	NA	NA	11.67	[ICRA]BBB+ (Positive)
NA	Inland Bill Discounting	NA	NA	NA	5.00	[ICRA]A2
NA	Unallocated	NA	NA	NA	0.44	[ICRA]BBB+ (Positive) /[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
A. P. Securitاس Private Limited	NA*	Full Consolidation
Scientific Security Management Services Pvt Ltd	100%	Full Consolidation
Proton Facility Solutions Private Limited	100%	Full Consolidation
Vijayant Facility Management Services Private Limited	51%	Full Consolidation

Source: Annual report FY2024, *Parent company

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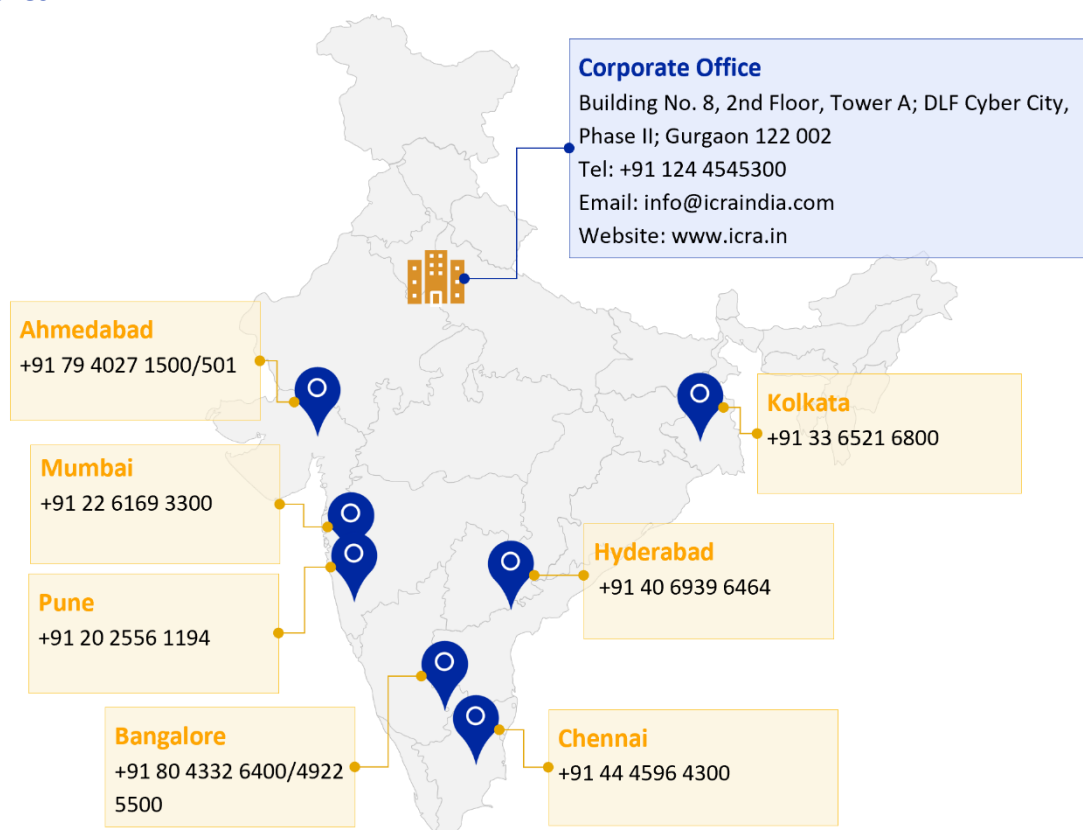
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