

September 2, 2025

FFServices Private Limited: Ratings reaffirmed, and outlook revised to Positive from Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term/short term - Fund based/non-Fund based limits	17.80	25.00	[ICRA]BBB+ (Positive)/[ICRA]A2; reaffirmed and outlook revised to Positive from Stable
Long term/short term – Unallocated limits	12.20	5.00	[ICRA]BBB+ (Positive)/[ICRA]A2; reaffirmed and outlook revised to Positive from Stable
Total	30.00	30.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has taken a consolidated view of FFServices Private Limited (FFS) and its parent entity Sila Solutions Private Limited (SSPL) (together referred to as the Group/Sila Group) while arriving at the ratings for FFS, owing to their common promoter group, similar business operations and financial linkages between the entities.

The change in the outlook on the long-term rating reflects ICRA's expectation that Sila Group will report healthy growth in revenues and earnings, while maintaining a comfortable capital structure and credit metrics. This is likely to be supported by the Group's expanding customer base and geographical presence, as well as higher operating leverage. Sila Group has reported strong compound annual growth rate (CAGR) of 43% in operating income over the past five fiscals, to Rs. 914 crore in FY2025. The growth was primarily driven by the expansion of its facilities management business, real estate advisory services and strategic inorganic acquisition. The momentum is expected to continue in the current fiscal, supported by diversification into new business verticals and a healthy pipeline of contract wins.

Sila Group's operating margins remained moderate in FY2025 due to increased expenses towards further strengthening the senior management team and incorporating systems/technology to support long-term growth. Nevertheless, margins are expected to improve going forward, aided by operational efficiencies and increased contributions from margin-accretive segments. Despite some debt-funded capex towards scaling up the recently established forklifts leasing business (under subsidiary – Sila Material Handling Services Private Limited), the overall capital structure is expected to remain comfortable. This, coupled with higher earnings, is expected to support the improvement in coverage metrics with interest coverage of above 4x over the near to medium term. Additionally, the ratings also factor in the Group's established operational track record in the facilities management industry, a broad and reputable customer base and synergies and benefits derived from previous strategic acquisition. The Group has a pan-India presence with significant presence in western and southern regions, and a growing presence in the northern as well as eastern parts of the country.

The ratings, however, are constrained by the fragmented and intensely competitive nature of the facility management business, resulting in moderate profit margins. Further, the industry faces high employee attrition rates owing to the unskilled/low skill and temporary nature of its work profile. This risk, however, is partially offset by the Group's extensive pan-India recruitment network and spending towards training and development to retain/rehire talent. The Group continues to actively explore acquisition opportunities to drive its overall inorganic business growth. Historically, the Group has funded its acquisitions through equity raised from the promoters and private equity investor, Norwest Venture Partners (NVP). ICRA notes that any acquisition over the near term is likely to be funded through equity. However, the funding strategy adopted and its impact on the credit profile will remain key monitorable.

Key rating drivers and their description

Credit strengths

Established track record of operations in the facilities management industry – SSPL was incorporated in 2009 by the brothers, Mr. Sahil Vora and Mr. Rushabh Vora. The entity provides facility management services to companies in corporate, industrial, commercial, residential and hospitality sectors. Additionally, SSPL's subsidiaries, including FFS, provide project management/advisory, general contracting, catering services and raw material handling services. Over the years, Sila Group has expanded its operational footprint across more than 125 cities, employing over 28,000 employees as of March 2025.

Diversified and established client base with reputed entities – The Group's established operational track record, coupled with its diverse service offerings, technology-driven solutions and pan-India presence, has enabled it to build a broad customer base that includes reputed companies across industries, such as JSW Steel Ltd., JLL Group, Table Space Technologies Pvt. Limited, ANSR Group and Hikal Limited, among others. The Sila Group during the year has added reputed clients, including Delhi Land and Finance (DLF), JLF, Cushman and Wakefield, CBRE etc. Over the years, the Group has developed strong relationships with its key customers, which resulted in repeat business that further demonstrates its strength in a competitive market. In addition, the reputed customer base and moderate customer concentration mitigate the risk of bad debts inherent to the industry. The Group also extends its services to clients across diversified sectors such as retail, manufacturing, real estate – commercial and residential, industrial and hospitality.

Strong growth in scale of operations – The Group continued to witness healthy YoY revenue growth of 28.2% to Rs. 914 crore in FY2025, higher than the industry average. This growth was driven by the increasing demand for organised service providers, rising outsourcing trends to achieve operational efficiency and the Group's ability to leverage established client relationships to offer bundled services. The Group has also recently forayed into the wet leasing segment for forklifts, enabling it to cross sell services. However, the Group's ability to scale up operations for this segment will remain a key sensitivity owing to the relatively capital-intensive nature of this business, compared to its existing business segments.

Credit challenges

Moderate working capital intensity – The Group's operations are moderately working capital-intensive, marked by receivable days of ~101 in FY2025 (~94 in FY2024), as it follows the pay-and-collect model and extends a credit period of ~75-90 days to its customers. Consequently, the improvement in the scale of operations in FY2025 has led to an increase in borrowings to meet the incremental working capital requirements. However, the Group mostly serves large established customers, which mitigates the risk related to receivables.

Moderate profit margins given the nature of operations and highly competitive industry structure – Operating in the facility management business, the Group faces stiff competition from other organised and unorganised players. This limits its pricing flexibility, which consequently constrains its margins. Nonetheless, the Group benefits to an extent from its strong relationships with its key customers, resulting in repeat business in addition to new client additions, adopting tech solutions to optimise overall cost and ensuring regulatory compliance. The Group's margins in FY2025 remained moderate due to increased expenses for strengthening the senior management team and incorporating systems/technology to support the entity's long-term growth. The operating margins are expected to improve going forward, in the absence of one-time expenses, increased contribution from high margin segments and consolidation in operational expenses.

High attrition levels inherent in industry – The Group, like other industry players, witnesses high employee attrition owing to the unskilled/low-skill and temporary nature of the work involved. This risk is partially mitigated by its continuous spend on the training and skill development of its employees.

Liquidity position: Adequate

The liquidity profile remains adequate, supported by higher cash flow generation and free cash/bank balances of ~Rs. Rs. 2.24 crore as on June 30, 2025. The Group has debt repayment liability of Rs. 3.5-4.5 crore in FY2026 while capex is expected to be around Rs. 25-30 crore. The Group has availed cash credit limits of Rs. 103 crore and bill discounting limits of Rs. 27 crore, the utilisation of which ~55% for the 12-month period ending in June 2025. ICRA notes that utilisation levels tend to peak during mid-month and are typically lower towards the end of the month. The company also has sanctioned term loans of Rs. 13 crore to fund its capex in FY2026.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates healthy growth in revenues and internal accrual generation, strengthening its liquidity profile.

Negative factors – Pressure on the ratings could arise if there is a considerable decline in revenues and internal accrual generation on a sustained basis and/or deterioration in the working capital cycle, impacting its liquidity position. The ratings may also be downgraded in case of any significant debt-funded acquisition(s), weakening the company's credit profile. Specific credit metrics include interest coverage of less than 3.8 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SSPL. As on March 31, 2025, the company had three subsidiaries, which are listed in Annexure-II.

About the company

FFS was established in 2006 and is involved in the integrated facilities management business. The company provides integrated facilities management services, including mechanised cleaning, food services, operations and maintenance, guest house management, facade cleaning and pest control services. The company has 280+ active clients across 20+ states and employs 6,500+ individuals. In FY2023, SSPL acquired a 100% stake in FFS in an all-cash deal of Rs. 42 crore.

SSPL was incorporated in 2009 by brother, Mr. Sahil Vora and Mr. Rushabh Vora, with seed capital investment from Hareesh Mehta & family. The company provides facility management, project management/advisory and general contracting services to companies in corporate, industrial, residential and hospitality sectors. SSPL has an operational footprint in 125+ cities, employing over 22,000 staff, as of March 2025.

SSPL's facility management services team uses a combination of technology, engineered processes and skilled human resources to efficiently manage real estate for our clients. SSPL have built a proprietary technology platform called SILA Connect to streamline its service delivery and operations. NVP first acquired a stake in SSPL in August 2019, and since then, NVP has invested around Rs. 110-120 crore in SSPL. It is the largest shareholder in SSPL, holding 45.92% stake as on March 31, 2025.

Key financial indicators (audited)

SSPL – Consolidated	FY2024	FY2025
Operating income	713.0	913.9
PAT	9.1	11.5
OPBDIT/OI	3.8%	3.9%
PAT/OI	1.3%	1.3%
Total outside liabilities/Tangible net worth (times)	1.5	1.8
Total debt/OPBDIT (times)	2.8	2.8
Interest coverage (times)	3.1	3.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Sept 2, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based/Non-Fund Based limits	Long term / short term	25.00	[ICRA]BBB+ (Positive)/ [ICRA]A2	Oct 22, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-
Unallocated limits	Long term / short term	5.00	[ICRA]BBB+ (Positive)/ [ICRA]A2	Oct 22, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term/Short term - Fund based/Non-Fund Based limits	Simple
Long term/Short term – unallocated limits	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	Fund based/Non-Fund Based limits	NA	NA	NA	25.00	[ICRA]BBB+(Positive)/[ICRA]A2
NA	Unallocated limits	NA	NA	NA	5.00	[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	SSPL's Ownership	Consolidation Approach
Sila Project Management Services Private Limited	100%	Full Consolidation
Envocare Pest Control Services Private Limited*	100%	Full Consolidation
FFServices Private Limited	100% (rated entity)	Full Consolidation

Source: Company; *wholly owned subsidiary w.e.f May 08, 2024

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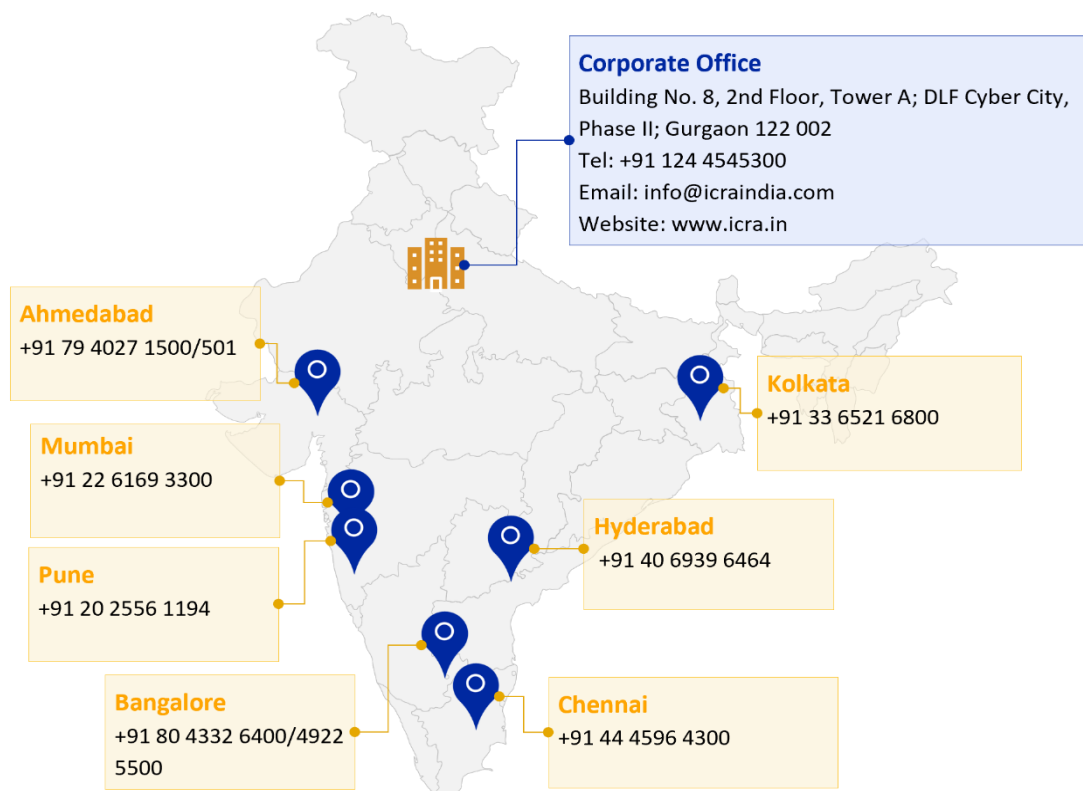
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