

February 13, 2026

King Facility Services Private Limited: [ICRA]BB-(Stable)/[ICRA]A4 assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund based	3.25	[ICRA]BB-(Stable); assigned
Short term-Non fund based	6.25	[ICRA]A4; assigned
Long term/Short term-Fund based/Non fund based unallocated limits	40.50	[ICRA]BB-(Stable)/[ICRA]A4; assigned
Total	50.00	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to King Facility Services Private Limited (KFSPL) are constrained by the highly competitive nature of the facilities management industry, which is dominated by numerous unorganised players and characterised by low entry barriers, limiting pricing flexibility and profitability. The company's operations also remain exposed to regulatory changes or wage revisions, even though it has demonstrated an ability to pass on cost escalations to clients to an extent over the years. While KFSPL's operating profit margin (OPM) remain modest, it improved to 5.1% in FY2025 from 3.8% in FY2024 and is expected to remain at similar levels going forward. The ratings are also constrained owing to modest net worth, moderate debt coverage metrics and high utilisation of working capital limits.

The ratings draw comfort from the promoters' extensive experience in the facilities management industry as they have been operating King Group over two decades and KFSPL's established customer relationships. ICRA believes the company's business prospects remain favourable, supported by sustained business from existing clients and ongoing addition of new customers. The company has grown its revenues over the years, with revenues increasing to around Rs. 21 crore in FY2025 from Rs. 7 crore in FY2021, supported by the onboarding of new clients and sustained healthy traction from its existing customer base.

The Stable outlook on the long-term rating reflects ICRA's expectation that KFSPL will maintain steady operational profile, backed by consistent business traction from key customers and incremental business from new client additions. The company's margins are expected to remain constrained by the fragmented nature of the industry, thereby constraining the improvement in its credit metrics.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in facility management business – The company's promoters have been involved in the facility management and security industry for around two decades. The King Group has a long-track record of business and has a strong relationship with its customers, which has supported its business growth over the years.

Credit challenges

Moderate scale and profit margins – The scale of entity is modest at around Rs. 21 crore in FY2025. The company's operating profit margin has remained at a moderate level of 3-5% over the past few years. The margins are expected to remain range-bound, given the competitive and labor-intensive nature of the facility management industry.

Low entry barriers; fragmented industry structure with intense competition from organised and unorganised players – The facilities management industry is highly fragmented and intensely competitive, comprising a mix of large, organised players and numerous smaller unorganised entities. This competitive landscape limits the company’s pricing flexibility and bargaining power with customers, thereby exerting pressure on operating margins and cash flows. Additionally, the sector is inherently manpower-intensive and experiences high employee attrition and workforce churn, making the timely availability and deployment of trained personnel a key operational challenge that can affect service delivery and client retention.

Margins susceptible to regulatory changes in the market – The entity operates within a regulatory environment governed by multiple Central and state laws related to contractual labour, exposing its operations to regulatory and compliance risks. Employee costs form the largest component of the company’s cost structure. Therefore, any upward revision in wage rates that cannot be adequately passed on to customers could adversely affect profitability.

Liquidity position: Stretched

The company’s liquidity position is stretched, characterised by negligible cash and bank balances as on December 31,2025 and marginal buffer in working capital limits (average utilisation of 91% of its working capital limits over the twelve months ending November 2025). The company has debt repayments of Rs. 0.37 crore in FY2027and minimal capex plans going forward.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company exhibits significant growth in revenues and profitability, leading to improvement in credit metrics and liquidity profile on a sustained basis.

Negative factors – The ratings can be downgraded in case of a deterioration in the company’s earnings on a sustained basis and/or if there is a stretch in its receivables cycle, which impacts its credit metrics or liquidity profile on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	None
Consolidation/Standalone	The ratings are based on the standalone financials of the company

About the company

KFSPL is a provider of integrated solutions across domains such as security, housekeeping, manpower and related support services. The entity is promoted by Mr Abhishek Dwivedi.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	26.1	21.0
PAT	0.5	0.5
OPBDIT/OI	3.8%	5.1%
PAT/OI	1.8%	2.6%
Total outside liabilities/Tangible net worth (times)	3.6	3.7
Total debt/OPBDIT (times)	2.7	3.1
Interest coverage (times)	3.0	2.2

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
		Amount (Rs. crore)	Rated	13-Feb-26	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
Fund based	Long- term	3.25		[ICRA]BB-(Stable)	-	-	-	-	-	-
Non Fund based	Short term	6.25		[ICRA]A4	-	-	-	-	-	-
Unallocated	Long- term/short term	40.50		[ICRA]BB-(Stable)/[ICRA]A4						

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Fund based	Simple
Short term-Non fund based	Simple
Long term/Short term-Fund based/Non fund based 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	Long-term - Fund based	NA	NA	NA	3.25	[ICRA]BB-(Stable)
NA	Short term-Non fund based	NA	NA	NA	6.25	[ICRA]A4
NA	Long term/Short term-Fund based/Non fund based unallocated limits	NA	NA	NA	40.50	[ICRA]BB-(Stable)/[ICRA]A4

Source: Firm

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

Annexure II: List of entities considered for consolidated analysis - Not applicable

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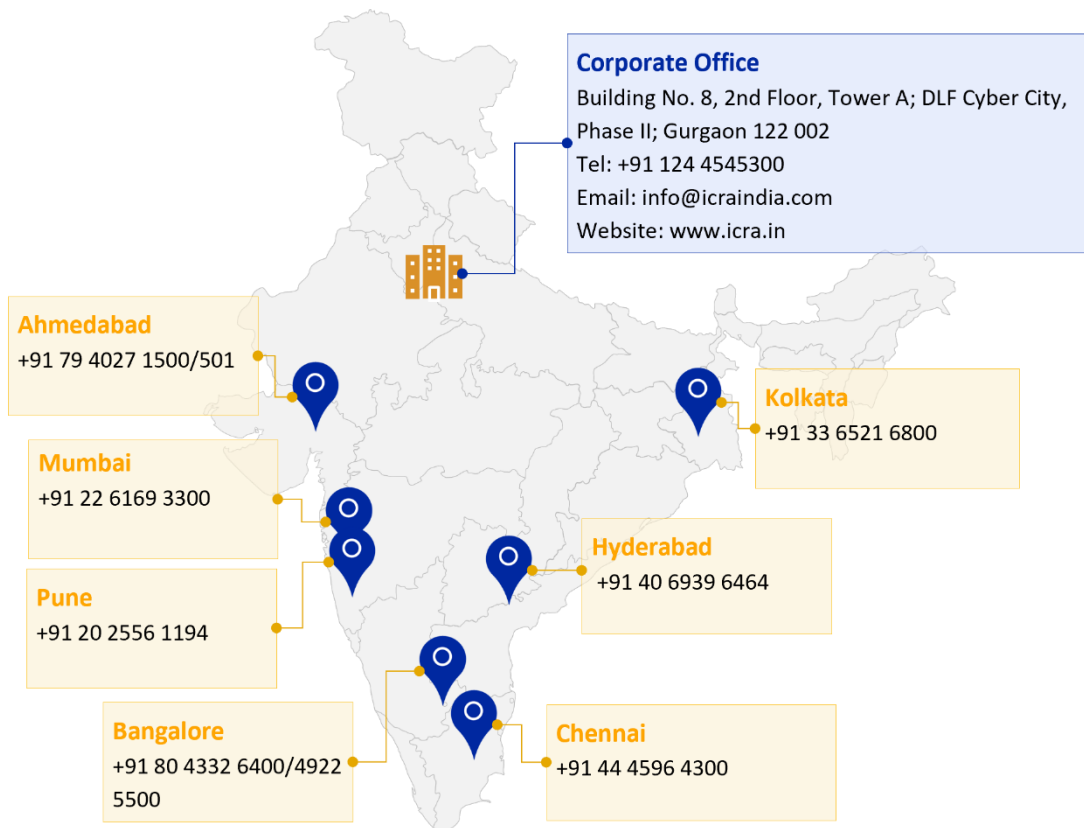
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