

January 22, 2026

## SMS Integrated Facility Services Private Limited: Rating upgraded to [ICRA]BBB-(Stable); 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	40.00	65.00	[ICRA]BBB-(Stable); upgraded from [ICRA]BB+(Stable), assigned for enhanced amount
<b>Total</b>	<b>40.00</b>	<b>65.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating upgrade of SMS Integrated Facility Services Private Limited (SMS) considers continuous strengthening of its operational and financial risk profiles in the facilities management industry, along with expectations that the positive momentum will continue in the medium term. The company posted a strong YoY revenue growth of about 32% in FY2024 and about 35% in FY2025, supported by the onboarding of new clients, sustained healthy traction from its existing customers, and incremental revenue from Awfis Care — the facility management division acquired from Awfis Space Solutions Limited in FY2024. SMS' operating profit margin (OPM) remains moderate, however, the same improved to about 3.9% in FY2025 from about 2.2% in FY2024 and is expected to rise gradually on account of economies of scale. The rating upgrade also reflects SMS' comfortable and stable financial risk profile, marked by a moderate reliance on external debt.

The rating continues to draw comfort from the promoters' extensive experience in the facilities management industry and SMS' established relationships with customers, particularly within the banking, financial services and insurance (BFSI) segment and increasing penetration in healthcare and retail segments. ICRA believes that the company's business prospects remain favourable, supported by sustained business from existing clients and ongoing addition of new customers.

The rating, however, remains constrained by the highly competitive nature of the industry due to numerous unorganised players and characterised by low entry barriers, which limit pricing flexibility and profitability. The company's operations also remain exposed to regulatory changes or wage revisions. Nevertheless, its demonstrated ability to pass on the cost escalations to clients provides some cushion.

The Stable outlook on the long-term rating reflects ICRA's expectation that SMS will continue to maintain steady operational and financial profiles, backed by consistent business traction from key customers and incremental business from new client additions.

### Key rating drivers and their description

#### Credit strengths

**Extensive track record of operations in facilities management industry** – SMS provides integrated facility management services, including housekeeping, security, hospitality, and select technical and value-added offerings. The company has strengthened its market position following the acquisition of Awfis Care, the facility management arm of Awfis Space Solutions, which supported revenue growth and improvement in OPM. SMS' business profile was further reinforced after its acquisition by Launcelot Investments in November 2017, which holds a 92.48% equity stake in the company as on March 31, 2025, and is a UK-based privately held entity, primarily engaged in real estate focused investments. The company operates on a pan-India scale through 15 regional offices, supported by a workforce of 22,500 employees as of October 2025, and delivers services across more than 5,000 locations nationwide.

**Healthy revenue growth; comfortable financial profile** – SMS reported a YoY revenue growth of about 35% in FY2025, driven by addition of new clients along with sustained healthy traction from its existing customer base. Its OPM expanded to around 3.9% in FY2025 from about 2.2% in FY2024, although margins continued to remain modest due to mainly economies of scale. The capital structure remained comfortable due to low reliance on external debt. Coverage indicators remained satisfactory, with an interest coverage ratio of about 7.9 times in FY2025.

**Established relationships with clientele** – SMS' established track record, comprehensive service portfolio, and pan-India presence have enabled it to build a diversified customer base of over 500 clients, comprising primarily private sector companies, along with select multinational corporations and government departments and entities. The company's key clients include Awfis Space Solutions Limited, HDFC Bank Limited, ICICI Bank Limited, and DCB Bank Limited, among others. SMS has been associated with many of these customers for more than a decade. The company derives further comfort from the diversified nature of its revenue profile, with the top five customers accounting for about 34% of the total operating income in FY2025.

### Credit challenges

**Modest profitability level; however, improving gradually** – SMS has historically operated with modest profitability level. Although the OPM improved to about 3.9% in FY2025 from about 2.2% in FY2024, it continues to remain modest. While the margins are expected to witness gradual improvement over the medium term, supported by scaling up of revenues and operating leverage, they are likely to remain range bound within single digits, given the competitive and labour-intensive nature of the facility management industry.

**Low entry barrier; fragmented industry structure with intense competition from organised and unorganised players** – The facilities management industry is characterised by a high degree of fragmentation and intense competition, comprising a mix of large, organised players and a large number of smaller unorganised entities. This competitive landscape constrains the company's pricing flexibility and bargaining power with customers, thereby exerting pressure on the operating margins and cash flows. Additionally, the sector is inherently manpower-intensive and faces elevated employee attrition and workforce churn, making timely availability and deployment of trained resources a key operational challenge that could impact service delivery and client retention. However, the company's increased focus on timely regulatory compliance, along with the ongoing initiatives to stabilise manpower and diversify its revenue base, provides partial mitigation against these risks.

**Margins susceptible to regulatory changes in the market** – SMS operates within a regulatory framework comprising multiple Central and State Government laws governing contractual labour, which exposes its operations to regulatory and compliance-related risks. Further, employee costs constitute the largest component of the company's cost structure. Therefore, any upward revision in wage rates that cannot be sufficiently passed on to the customers could adversely impact profitability. Nonetheless, the company's demonstrated ability to pass on most of such cost increases to its clients provides some comfort.

### Liquidity position: Adequate

SMS' liquidity position remains comfortable, supported by a cash balance of about Rs. 16.1 crore as on March 31, 2025. The company has utilised its working capital limits of about 28% over the 12 months ending in October 2025, which reflects a comfortable cushion of around Rs. 50 crore. With no major capex plans and no term loan repayment obligations, ICRA expects the company's liquidity to remain adequate over the near-to-medium term.

### Rating sensitivities

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

**Negative factors** – The rating can be downgraded in case of significant deterioration in the company's revenue and earnings or 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	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of the company

## About the company

SMS was originally established in 2002 as Sanjay Maintenance Services Private Limited by the Mumbai-based Khanvilkar family, for providing hospitality and facility management services to various industries like banking, financial services and insurance (BFSI), information technology (IT), healthcare, and hospitality, among others. In FY2017, UK-based investor Launcelot Investments acquired a 92.07% stake from the Khanvilkar family, assumed control of the company, and rebranded it as SMS Integrated Services Private Limited. As of March 31, 2025, Launcelot Investments held a 92.48% equity stake. SMS is headquartered in Mumbai and has an employee strength of over 22,500 as on October 31, 2025, and serves more than 500 clients across the country. Launcelot Investments is a UK-based privately held company, engaged primarily in making investments in the real estate sector.

## Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	388.4	522.5
PAT	9.3	10.0
OPBDIT/OI	2.2%	3.9%
PAT/OI	2.4%	1.9%
Total outside liabilities/Tangible net worth (times)	1.2	1.4
Total debt/OPBDIT (times)	1.3	1.1
Interest coverage (times)	14.3	7.9

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

Current rating (FY2026)					Chronology of rating history for the past 3 years							
					FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Cash Credit	Long-Term	65.00	Jan 22, 2026	[ICRA]BBB- (Stable)	Nov 26, 2024	[ICRA]BB+ (Stable)	Sep 14, 2023	[ICRA]BB (stable)	Sep 29, 2022	[ICRA]BB- (Stable)		

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Cash Credit	Simple

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 – Cash Credit	NA	NA	NA	65.00	[ICRA]BBB- (Stable)

Source: Company

[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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### Branches



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