November 05, 2026

Sila Solutions Private Limited: Ratings upgraded and removed from Watch with Developing Implications, Stable outlook assigned; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Cash credit	83.00	-	-	RBI
Long-term/ short-term – Fund-based/ Non-fund-based limits – Others	22.00	-	-	RBI
Long-term/ Short-term – Fund-based/ Non-Fund-based – Working Capital Facilities	0.00	245.00	[ICRA]A- (Stable)/ [ICRA]A2+, upgraded from [ICRA]BBB+/ [ICRA]A2; Stable outlook assigned, ratings removed from Watch with Developing Implications; assigned for enhanced amount	RBI
Total	**105.00**	**245.00**		

** Instrument details are provided in Annexure I*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Sila Solutions Private Limited (SSPL), along with its subsidiaries, FFServices Private Limited (FFS) and SMS Integrated Facility Services Private Limited (SMS), collectively referred to as the Sila Group/Group, given the close business, financial and managerial linkages among them.

The upgraded ratings consider the benefits arising from the acquisition of SMS, which has strengthened the Group's business profile through a significant increase in scale, a broader service portfolio, an expanded geographical footprint and a wider customer base, particularly in the BFSI segment. This is further supported by improved revenue visibility from long-term contracts, the development of recurring annuity-based income streams, and higher operating leverage expected from the larger scale and improved absorption of fixed costs. These factors are expected to support the Group's profitability and business stability over the medium term.

Meanwhile, the ratings continue to factor in the experience of the promoters and the established operational track record of the Sila Group in facility management services, along with its diversified and reputed customer base. ICRA notes that the consolidated revenue of the Sila Group grew by around 37% YoY in FY2026. However, the impact of the acquisition of SMS on the Group's financial performance was not fully reflected during the year, as the acquisition became effective only in Q4 FY2026. Consequently, the revenue contribution from SMS was limited in FY2026, with the benefits expected to become more evident in FY2027 following a full year of consolidation of its operations. ICRA expects the Group's top line to grow by more than 65% YoY in FY2027, primarily supported by increased business volumes, driven by a broadening customer base and expanded service offerings. The ratings also derive comfort from the favourable financial profile of the Group, characterised by a conservative capital structure and comfortable debt protection metrics. Going forward, the company's ability to increase its scale of operations through geographical expansion and the acquisition of new clients will remain crucial from a credit perspective.

The ratings are, however, constrained by the fragmented and intensely competitive nature of the facility management services business, owing to the presence of numerous organised and unorganised players, which leads to contract renewal risks. This

also limits pricing flexibility and the scope for margin expansion for players in the industry. Further, the industry faces high employee attrition rates owing to the unskilled/low-skilled and temporary nature of the work profile. This risk, however, is partially offset by the Group's extensive pan-India recruitment network and expenditure on training and development to retain and rehire talent. The ratings are also constrained by high geographical concentration risk, as a major portion (more than 40% in FY2026) of the Group's revenue is derived from the western region. The Group 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, such as wage revisions.

The Group continues to actively explore acquisition opportunities to drive its inorganic growth. Historically, the Group has funded its acquisitions through equity raised from the promoters and private equity investor Norwest Venture Partners (NVP). Recently, Permira came on board as a strategic investor by acquiring a part of NVP's stake, as well as a stake held by one of the promoters. ICRA notes that any acquisitions over the near to medium term are likely to be funded through equity. However, the funding strategy adopted and its impact on the Group's credit profile will remain monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Group's operational and financial performances will continue to benefit from its established operational track record, healthy growth prospects through both organic and inorganic routes, diversified service offerings, and generation of adequate cash flows relative to its debt service obligations.

Key rating drivers and their description

Credit strengths

Experience of the promoters and established track record of operations in the facility management industry – Sila Group was established in 2009 by two brothers, Mr. Sahil Vora and Mr. Rushabh Rajesh Vora. The Group primarily provides integrated facility management services, including housekeeping, hospitality, security services (through third-party service providers), and select technical and value-added offerings to companies in the corporate, industrial, commercial, residential and hospitality sectors. Additionally, the Group provides project management/advisory, general contracting, catering services and material handling solutions. Over the years, the Sila Group has expanded its operational footprint through organic and inorganic routes across more than 125 cities. It employed nearly 60,000 employees as of August 2026 and served more than 500 clients across India.

Growing scale of operations, through organic and inorganic route – The consolidated turnover of the Group has witnessed steady growth over the past few years, driven by the continuous addition of clients, which has resulted in higher service volumes and an expanding geographical presence. The growth was also supported by scaling up through the inorganic route. The Group's top line witnessed healthy YoY growth of 37% in FY2026, despite only a limited contribution from SMS, which was acquired in Q4 FY2026. The demand for facility management services is likely to remain favourable in the near to medium term. In view of higher business volumes from existing customers, the addition of new clients and the expansion of services offered, ICRA expects the company, on a consolidated basis, to achieve an operating income of more than Rs. 2,100 crore in FY2027.

Favourable financial profile, characterised by a conservative capital structure and comfortable debt protection metrics – Operating in the facility management business, the Group faces stiff competition from other organised and unorganised players. This limits its pricing flexibility and consequently constrains its margins. The Group's margins in FY2026 remained moderate due to one-time legal and consulting expenses incurred towards the acquisition of SMS, as well as expenditure on systems and technology to support its long-term growth. The operating margins are expected to improve going forward, in the absence of such one-time expenses, along with an increased contribution from high-margin segments and benefits from operational synergies and cost consolidation. The OPM of the Group is likely to be at 5.5-6.0% going forward. The capital structure of the company, on a consolidated basis, stood at a conservative level, with a gearing of 0.5 times and TOL/TNW of 1.2 times as of March 31, 2026, primarily on account of low reliance on external debt and a sizeable net worth. In view of the likely improvement in profitability and cash accruals, the coverage indicators are estimated to improve in FY2027 and remain at comfortable levels.

Established relationships with diversified and reputed clientele – 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, JLL Group, Bajaj, Awfis Space Solution, HDFC Bank, Sanathan Textiles and Jindal Steel, among others. The Group has developed strong relationships with its key customers, which result in repeat business and further demonstrate its strength in a competitive market. In addition, its reputed customer base and moderate customer concentration mitigate the counterparty credit risk inherent in the industry. The Group also provides services to clients across diversified sectors, such as retail, manufacturing, commercial and residential real estate, industrial and hospitality.

Credit challenges

Fragmented and competitive nature of the industry leads to contract renewal risk and exerts pressure on margins – In line with industry practice, the company follows a wage-plus-service-charge model for pricing security services, facility management and other manpower supply-based services rendered to customers. The manpower outsourcing and security services industry is fragmented and intensely competitive, with the presence of numerous organised and unorganised players. This leads to significant price-based competition, giving rise to contract renewal risks and exerting pressure on margins, primarily in the security services segment. Moreover, increasing operating costs against a large number of long-term fixed-rate contracts accentuate margin pressures.

Limited geographical diversification as the major portion of revenue is derived from western region – While the Group has established a pan-India presence, with a strong footprint across the western and southern regions and a growing presence in the northern and eastern markets, its revenue profile remains relatively concentrated, with more than 40% of revenues being derived from the western region. This exposes the Group to regional economic and industry-specific risks that may adversely impact business performance in the event of a slowdown in key operating markets. Nevertheless, the risk is partially mitigated by its diversified customer base across multiple industries, expanding geographical reach and continued efforts to strengthen its presence in underpenetrated regions. These factors are expected to support the gradual diversification of its revenue profile over the medium term.

High attrition levels inherent in industry – The Group, like other players in the facility management industry, is exposed to high employee attrition owing to the largely unskilled/semi-skilled and contractual nature of its workforce. Elevated attrition levels can result in increased recruitment, training and retention costs, while also posing challenges in maintaining service quality and operational efficiency. Nevertheless, the risk is partially mitigated by the Group's continued focus on employee training, skill development and workforce engagement initiatives, which support employee productivity and help maintain an adequate talent pool to meet business requirements.

Margins susceptible to regulatory changes in the market – The Group operates in a highly regulated environment, with its operations governed by various Central and State Government laws relating to contractual labour, employee welfare and statutory compliances. Accordingly, any adverse regulatory changes or increased compliance requirements could impact operating costs and business profitability. Further, employee costs constitute the largest component of the Group's cost structure. Consequently, any significant increase in minimum wages or other employee-related costs, without a commensurate pass-through to customers, could exert pressure on margins. Nevertheless, the risk is mitigated to an extent by the Group's established client relationships and contractual arrangements, which provide some flexibility to pass on cost escalations to customers.

Liquidity position: Adequate

The expected top-line growth in FY2027 is likely to result in higher receivables position and, thereby, increased working capital requirements, which are expected to weigh on the cash flow from operations of SSPL at the consolidated level. ICRA notes that the working capital requirement would remain moderate and is likely to be funded through creditors as well as working capital borrowings. The company, at the consolidated level, has long-term debt repayment obligations of Rs. 14-20 crore, including lease liabilities, over the next two years. As of March 31, 2026, SSPL had unencumbered cash/bank balances of around Rs. 22

crore. SSPL's average utilisation of the fund-based working capital limits, at the consolidated level, stood at around 57% during the 14 months ended August 2026, leaving an adequate buffer for future working capital requirements. In view of the surplus cash/bank balances, undrawn working capital facilities and moderate capital expenditure of Rs. 35-40 crore, ICRA expects the company's overall liquidity position to remain adequate going forward.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if there is sustained healthy growth in revenues and earnings, driven by the Group's demonstrated execution capabilities, leading to a strengthening of the credit metrics, along with an improvement in the working capital cycle that positively impacts its liquidity position.

Negative factors – Pressure on the ratings could arise if there is a considerable decline in revenues and profitability on a sustained basis, adversely impacting credit profile and liquidity position of the Group. The ratings may also be downgraded in case of any significant debt-funded acquisition(s), weakening the Group's credit profile. Specific credit metrics include consolidated interest coverage of less than 4.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Sila Solutions Private Limited, including its subsidiaries, which are enlisted in Annexure II.

About the company

Sila Solutions Private Limited (SSPL) was incorporated in 2009 by two brothers, Mr. Sahil Vora and Mr. Rushabh Vora, with seed capital investment from Haresh Mehta & family. The company provides facility management, project management/advisory and general contracting services to companies in the corporate, industrial, residential and hospitality sectors. SSPL has an operational footprint across more than 125 cities, employing over 24,000 staff as of August 2026. SSPL's facility management services team uses a combination of technology, engineered processes and skilled human resources to efficiently manage its assignments. SSPL has built a proprietary technology platform called SILA Connect to streamline its service delivery and operations.

As of June 2026, SSPL is held by the promoters (30.0%), private equity investors Norwest Venture Partners (39.7%) and Permira (22.1%), body corporates (2.8%) and others (5.5%), on a fully diluted basis.

At present, the company has four subsidiaries, namely FFServices Private Limited, SMS Integrated Facility Services Private Limited, Sila Material Handling Services Private Limited and Sila Project Management Private Limited.

Key financial indicators (audited)

SSPL	Standalone		Sila Group – Consolidated	
	FY2025	FY2026	FY2025	FY2026
Operating income	618.4	828.3	913.9	1,256.1
PAT	2.1	4.5	11.5	17.1
OPBDIT/OI (%)	3.0%	3.3%	3.9%	4.3%
PAT/OI (%)	0.3%	0.5%	1.3%	1.4%
Total outside liabilities/Tangible net worth (times)	1.6	0.6	1.8	1.2
Total debt/OPBDIT (times)	4.6	4.0	2.8	3.6
Interest coverage (times)	1.9	2.1	3.1	3.2

Source: Sila Solutions Private Limited, 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 (FY2027)					Chronology of rating history for the past 3 years					
						FY2026		FY2025		FY2024	
	Type	Amount Rated (Rs. crore)	Nov 05, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based Limits – Cash Credit	Long-term	-	-	May 11, 2026	[ICRA]BBB+; Rating watch with developing implications	Sep 02, 2025	[ICRA]BBB+ (Positive)	Oct 22, 2024	[ICRA]BBB+ (Stable)	Oct 26, 2023	[ICRA]BBB+ (Stable)
Fund-based/ Non-Fund-based limits – Others	Long-term/ Short-term	-	-	May 11, 2026	[ICRA]BBB+; Rating watch with developing implications/ [ICRA]A2; Rating watch with developing implications	Sep 02, 2025	[ICRA]BBB+ (Positive)/ [ICRA]A2	Oct 22, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Oct 26, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2
Fund-based/ Non-Fund-based – Working Capital Facilities	Long-term/ Short-term	245.00	**[ICRA]A-(Stable)/ [ICRA]A2+**	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/ Short-term – Fund-based/ Non-Fund-based – Working Capital Facilities	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	Financial Sector Regulator#
NA	Fund-based/ Non Fund-based – Working Capital Facilities	-	-	-	245.00	[ICRA]A- (Stable)/ [ICRA]A2+	RBI

Source: Sila Solutions Private Limited

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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
FFServices Private Limited	100.0%	Full Consolidation
SMS Integrated Facility Services Private Limited	100.0%	Full Consolidation
Sila Project Management Private Limited	100.0%	Full Consolidation
Sila Material Handling Services Private Limited	66.4%	Full Consolidation

Source: Sila Solutions Private Limited

ANALYST CONTACTS

Mr. Jitin Makkar
+91 124 4545 300
jitinm@icraindia.com

Ms. Kinjal Kirit Shah
+91 022 6114 3442
kinjal.shah@icraindia.com

Mr. Sujoy Saha
+91 33 6521 6805
sujoy.saha@icraindia.com

Mr. Sandipan Kimar Das
+91 33 6521 6807
sandipan.das@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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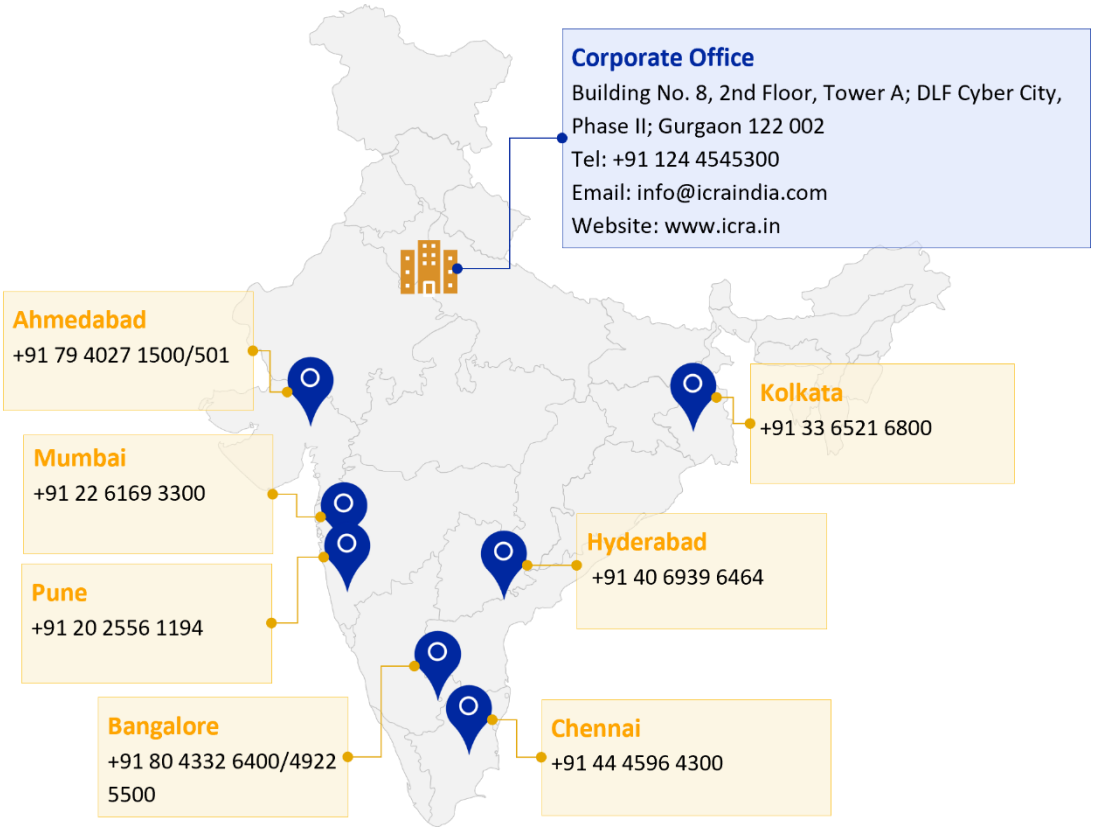
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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