



Hospitality & Facility Management Services

CIN : L74930MH2006PLC159290

ISO 9001 : 2008
ISO 14001 : 2004
OHSAS 18001 : 2007

OUR SERVICES :

- | | |
|----------------------|------------------------------|
| + Housekeeping Mgmt. | + Front Office Mgmt. |
| + Guest House Mgmt. | + Gardening Mgmt. |
| + Property Mgmt. | + Building Maintenance Mgmt. |
| + Pest Control Mgmt. | + Catering / Pantry Mgmt. |

"YOUR IMAGE IS OUR BUSINESS"

Date: August 07, 2025

To,
The Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051
Maharashtra, India

Company Trading Symbol: **KHFM**
ISIN: **INE00UG01014**

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Withdrawal of Credit Rating by CRISIL Ratings Limited

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL Ratings Limited, vide its letter dated August 06, 2025, has withdrawn the credit rating assigned to KHFM Hospitality and Facility Management Services Limited ("the Company").

The withdrawal has been carried out on the Company's request, as the credit facilities availed by the Company have reduced below the threshold that requires a mandatory credit rating as per applicable banking norms. In view of the same, and based on No Objection Certificates (NOCs) received from the lending banks, the Company had submitted a formal request to CRISIL Ratings Limited vide its letter dated July 11, 2025, for withdrawal of the rating.

CRISIL Ratings Limited has accordingly withdrawn the credit rating, and a copy of their confirmation letter is enclosed herewith for your reference and records.

You are requested to kindly take the above on record.

Thanking You.

For KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Ritesh K Mishra
Company Secretary & Compliance Officer
ICSI Membership No.: A76039

Place: Mumbai

KHFM Hospitality & Facility Management Services Ltd.

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Rating Rationale

August 06, 2025 | Mumbai

KHFM Hospitality And Facility Management Services Limited

Ratings Reaffirmed and Withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.62 Crore
Long Term Rating	Crisil D (Rating Reaffirmed and Withdrawn)
Short Term Rating	Crisil D (Rating Reaffirmed and Withdrawn)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its ratings on the bank facilities of KHFM Hospitality And Facility Management Services Limited (KHFM) and subsequently **withdrawn** the ratings at the request of the company and on receipt of a no-objection certificate from its bankers. This is in line with the Crisil Ratings policy for withdrawal of bank loan ratings.

The rating reflects delays in meeting the debt obligation on account of weak liquidity.

The company also has a modest scale of operations in an intensely competitive industry, exposure to risks inherent in tender-based business, working capital-intensive operations. However, the company has established healthy relationships with customers in the facility management and security services industry, and has a Moderate financial risk profile.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has consolidated the business and financial risk profiles of KHFM and its subsidiaries - KHFM Infra Projects Pvt Ltd and KHFM & D.P Jain Company. CRISIL Ratings considers these entities strategic to KHFM in view of their strong integration with KHFM's operations. Unsecured loans are treated as debt.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Weaknesses:

- **Delays in the repayment obligation:** There has been occasional instances of delay in the repayment of principal and interest components. This was on account of delays in receivables from its vendors.
- **Modest scale of operations in an intensely competitive industry and exposure to risks inherent in tender-based business:** The company's scale of operations was modest at Rs 104.03 crore in fiscal 2025. The operations had muted growth with revenue of Rs 91-112 crore in the last four years through fiscal 2025. The scale has remained modest as the company operates in a highly competitive and fragmented industry as indicated by the presence of several unorganized players in the domestic market.

Furthermore, KHFM's major operations are tender based, as the company primarily deals with government and private organizations. Therefore, the company has limited bargaining power with its customers. Due to tender-based nature of the business, KHFM's scale of operations will be highly reliable on its ability to win tenders over the medium term.

- **Working capital-intensive operations:** KHFM has large working capital requirement, as reflected in its high gross current assets (GCAs). The company's high GCAs resulted from the large credit period extended to customers. KHFM receives payments from its customers in 90-110 days, on average. Furthermore, the inventory primarily includes unbilled or work in process (WIP) revenue, and is typically at 98-175 days. The recovery of receivables and efficient

working capital management with increasing scale, remain monitorable over the medium term, as any significant stretch in realization from the debtors could materially weaken the company's liquidity.

Strengths:

- **Established healthy relationships with customers in the facility management and security services industry:** KHFM is engaged in providing facility management and security services business since 1983. Over the years, the company has expanded its presence by adding offices across India. Also, the company has added various additional services to improve its market position. The longstanding presence has also helped the company to establish strong relationships with customers, leading to healthy renewal of tenders over the years. Furthermore, KHFM also has in-house training facility to train employees, which helps the company provide quality services. Demand for facility management services in India is expected to remain healthy over the medium term, with increasing demand for private agencies for housekeeping. However, retention of existing sites and success in new tenders will remain critical to any improvement in KHFM's scale of operations. KHFM's longstanding presence and its established customer base in the facility management and security services industry will continue to help the company maintain its business risk profile over the medium term.
- **Moderate Financial risk profile:** KHFM's capital structure has been comfortable due to moderate reliance on external funds and comfortable network which improved to Rs 58.39 crore as on as on March 31, 2025 due to rights issue and accretion to reserve over the years. As a result, the gearing and total outside liabilities to adjusted network (TOLANW) ratio improved to 0.68 times and 0.93 times, respectively, as on March 31, 2025. The capital structure is expected to improve further over the medium term with steady accretion to reserve. KHFM's debt protection metrics have been comfortable with moderate profitability leading to interest coverage and net cash accrual to total debt (NCATD) ratio were at 2.06 times and 0.11 time, respectively, for fiscal 2025 and are expected at similar levels over the medium term

Liquidity: Poor

The liquidity is poor as reflected in delays in repayment obligation on the term loan. Bank limit utilisation was high at 100% on average for the 12 months through October 2024.

Rating sensitivity factors

Upward factors:

- Timely repayment of the debt obligation continuously for at least 90 days
- Substantial increase in revenue and profitability, leading to higher cash accrual.

About the Company

KHFM, formerly known as Kalpataru Hospitality And Facility Management Services Pvt Ltd, was established in 1983 by Mr Ravindra Hegde as a proprietary concern in the name and style of Kalpataru Enterprises. Later, in 2006 the firm was reconstituted as a private limited company. KHFM provides facility management services (housekeeping), mechanised cleaning services and gardening services. KHFM has established network of around 24 branches at various locations in India, and has its headquarters in Mumbai. The company is listed on the SME (small and medium enterprises) platform of National Stock Exchange of India Ltd (NSE).

KHFM is promoted by Mr Ravindra Hegde and Mrs Sujata Ravindra Hegde.

Key Financial Indicators- (Consolidated)

As on/for the period ended March 31	Unit	FY25	2024
Operating income	Rs crore	104.3	112.09
Reported profit after tax (PAT)	Rs crore	3.44	2.98
PAT margin	%	3.3	2.65
Adjusted debt/adjusted network	Times	0.68	1.02
Interest coverage	Times	2.06	1.93

Status of non-cooperation with previous CRA

KHFM has not cooperated with INFOMERICS Valuation and Rating Pvt Ltd, which has classified it as issuer not-cooperative vide release dated October 31, 2023. The reason provided by INFOMERICS Valuation and Rating Pvt Ltd is absence of adequate information from the company.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	14.00	NA	Crisil D (Rating Reaffirmed and Withdrawn)
NA	Cash Credit	NA	NA	NA	28.37	NA	Crisil D (Rating Reaffirmed and Withdrawn)
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	7.18	NA	Crisil D (Rating Reaffirmed and Withdrawn)
NA	Term Loan	NA	NA	31-Dec-25	6.00	NA	Crisil D (Rating Reaffirmed and Withdrawn)
NA	Working Capital Term Loan	NA	NA	31-Mar-28	6.45	NA	Crisil D (Rating Reaffirmed and Withdrawn)

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
KHFM Hospitality And Facility Management Services Ltd	Full	Same business and common management
KHFM Infra Projects Pvt Ltd	Full	
KHFM & D.P Jain Company	Full	

Annexure - Rating History for last 3 Years

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	48.0	Crisil D (Rating Reaffirmed and Withdrawn)		--	12-12-24	Crisil D	30-11-23	Crisil BB-/Stable		--	Suspended
			--		--		--	20-10-23	Crisil BB-/Stable		--	--
Non-Fund Based Facilities	ST	14.0	Crisil D (Rating Reaffirmed and Withdrawn)		--	12-12-24	Crisil D	30-11-23	Crisil A4+		--	--
			--		--		--	20-10-23	Crisil A4+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
		Apna Sahakari Bank	Crisil D (Rating Reaffirmed

Bank Guarantee	9.18	Limited	and Withdrawn)
Bank Guarantee	4.82	Apna Sahakari Bank Limited	Crisil D (Rating Reaffirmed and Withdrawn)
Cash Credit	5.85	State Bank of India	Crisil D (Rating Reaffirmed and Withdrawn)
Cash Credit	7.52	Bank Of India Limited	Crisil D (Rating Reaffirmed and Withdrawn)
Cash Credit	15	Apna Sahakari Bank Limited	Crisil D (Rating Reaffirmed and Withdrawn)
Proposed Fund-Based Bank Limits	7.18	Not Applicable	Crisil D (Rating Reaffirmed and Withdrawn)
Term Loan	6	Bank Of India Limited	Crisil D (Rating Reaffirmed and Withdrawn)
Working Capital Term Loan	6.45	Apna Sahakari Bank Limited	Crisil D (Rating Reaffirmed and Withdrawn)

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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