

January 29, 2026

Hindustan Latex Family Planning Promotion Trust: Ratings upgraded to [ICRA]BBB (Stable)/[ICRA]A3+

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|------------------------------------|--------------------------------------|-------------------------------------|---|
| Long-term fund based – Cash credit | 10.00 | 10.00 | [ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable) |
| Short term – Non-fund based | 4.00 | 4.00 | [ICRA]A3+; upgraded from [ICRA]A3 |
| Total | 14.00 | 14.00 | |

*Instrument details are provided in Annexure I

Rationale

The ratings upgrade factor in the improved credit profile of Hindustan Latex Family Planning Promotion Trust's (HLFPPT) parent, HLL Lifecare Limited (HLL; rated [ICRA]A(Stable)/A1), which is a Government of India (GoI) enterprise and lends strategic oversight, brand credibility, and institutional stability to the trust. HLL's financial profile improved with healthy growth in revenues and earnings in FY2025 and FY2026 (estimated), supported by a higher contribution from the margin-accretive segments. HLFPPT's ratings draw comfort from its established track record in primary healthcare delivery, social marketing, skill development, and execution of large-scale donor-funded health programmes, including HIV, TB, maternal and child health, and community outreach initiatives. The trust's operating scale improved in FY2025, supported by higher project execution and strong grant inflows. Grant-in-aid income increased to Rs. 220 crore in FY2025 from Rs. 130 crore in FY2024, aided by the commencement of the Rs. 185-crore National Highways Authority of India (NHAI) emergency response project in FY2025, which is likely to continue for the next two years. The trust's commission income rose to Rs. 20.4 crore in FY2025 from Rs. 15.3 crore in FY2024, driven by higher order execution. Its operating margins improved marginally in FY2025, driven by the benefits of scale and better absorption of administrative overheads, although the company's profitability remains structurally limited by the fixed fee and cost-plus nature of most donor and Government contracts. ICRA notes that continued healthy order inflow would support HLFPPT's revenue growth, going forward.

However, the ratings remain constrained by the trust's modest scale of operations. While the trust largely operates on back-to-back contracts where expenditure is aligned to approved project budgets, the reimbursement-linked nature of funding can still result in temporary timing gaps, especially when milestone approvals or fund releases are delayed by donors or Government agencies. Further, the Government's proposed divestment plans for HLL remain a monitorable, given HLFPPT's operational linkages and the potential implications for future order inflow.

The Stable outlook reflects ICRA's expectation that the trust will witness a steady growth in revenues and earnings while maintaining comfortable debt metrics.

Key rating drivers and their description

Credit strengths

Support from GoI-owned HLL with established track record in healthcare services – HLFPPT is supported by HLL, which is a 100% GoI-owned enterprise. HLFPPT is a charitable trust and registered under the Travancore Cochin Charitable Trust Act in 1992. It is involved in providing primary healthcare services, spreading awareness of preventive healthcare, facilitating family planning, promoting social marketing products, social franchising, preventing HIV, tuberculosis, providing elderly care,

supporting child health, skill development, research and knowledge management, etc. It receives several orders on nomination basis from government entities and is an established player with a track record of more than 30 years in healthcare services.

Regular order inflows supporting revenue growth – As on March 31, 2025, the trust had an order book of around Rs. 379 crore (against Rs. 323 crore as on March 31, 2024), supported by healthcare delivery initiatives across highway-linked emergency services, public health programmes, mobile medical units in remote areas, skill development initiatives aligned with national frameworks, and donor-supported health infrastructure and capacity-building projects.

Healthy financial risk profile – The trust’s debt protection metrics are healthy with an interest coverage ratio of 3.7 times and TOL/TNW of 1.8 times in FY2025. These debt protection metrics are expected to remain healthy over the medium term, given the range-bound margins and absence of any major debt-funded capex plan.

Credit challenges

Gol intends to divest a 100% stake in HLL, may affect order inflow from Government entities – The Gol has identified HLL (holding company) as one of the public sector undertakings from which it would divest through a 100% strategic stake sale. In case of divestment by the Gol, the order inflows from the Central and state governments and Government-owned entities may be impacted.

Elongated receivables cycle – Most of the trust’s projects come from Government entities with long receivables cycle. HLPPT receives these payments on a reimbursement basis from its Government clients. However, back-to-back payment arrangement with its vendors supports its liquidity.

Modest scale of operations – The trust’s scale of operations has remained modest with revenues of Rs. 240.1 crore, a sizeable part of which is grant income, which is paid to its vendors. Apart from the grant income, its revenue comprises commission income of Rs. 15-25 crore over the last few years, limiting the benefits of scale.

Liquidity position: Adequate

The trust’s liquidity is adequate, supported by free cash of around Rs. 8-9 crore as on March 31, 2025, along with an undrawn working-capital limit of Rs. 7 crore, while the trust’s operating cash flows are expected to be modest over the next 12 months. In comparison, HLPPT is likely to incur annual capex of around Rs. 4-6 crore and it does not have any long-term debt obligations. Most of its project-related assets are funded through donor advances or adequate capital support for project executions, lending comfort to the liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if there is an improvement in HLL’s credit profile and/or a substantial increase in HLPPT’s scale of operations and cash accruals.

Negative factors – Pressure on the ratings could arise if there is a deterioration in HLL’s credit profile and/or weakening of linkages with the parent, or if there is a significant deterioration in revenue, operating profits or debt protection metrics of the trust.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology |
| Parent/Group support | Parent Company: HLL Lifecare Limited The ratings assigned to HLPPT factor in the likelihood of support from its parent |
| Consolidation/Standalone | Standalone |

About the company

HLPPT is a charitable trust registered in 1992 under the Travancore Cochin Charitable Trust Act. It is promoted by HLL Lifecare Limited, a Government of India enterprise, for implementing public health programmes. It has been actively involved in providing primary healthcare services, spreading awareness of preventive health, facilitating family planning, promoting social marketing products, social franchising, preventing HIV, tuberculosis, providing elderly care, supporting child health, skill development, research and knowledge management, etc. The trust has pan-India operations. In addition to projects from Govt entities like the Ministry of Health and Family Welfare, National Rural Health Ministry, NHAI, National AIDS Control Organisation, etc., the trust has undertaken several programmes/projects funded by international agencies such as the Bill & Melinda Gates Foundation, United Nations Children’s Fund (UNICEF), United Nations Population Fund (UNFPA) and United States Agency for International Development (USAID) among others.

Key financial indicators (audited)

| HLPPT Standalone | FY2024 | FY2025 |
|--|--------|--------|
| Operating income | 145.4 | 240.1 |
| PAT | 4.8 | 8.7 |
| OPBDIT/OI | 3.1% | 4.0% |
| PAT/OI | 3.3% | 3.6% |
| Total outside liabilities/Tangible net worth (times) | 1.2 | 1.8 |
| Total debt/OPBDIT (times) | 0.9 | 0.3 |
| Interest coverage (times) | 14.7 | 3.7 |

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 ratings (FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------|---|---------------------|--------------|---------------------|--------------|--|
| | Type | Amount rated (Rs. crore) | Jan 29, 2026 | FY2025 | | FY2024 | | FY2023 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Fund-based – Cash Credit | Long term | 10.00 | [ICRA]BBB (Stable) | Dec 30, 2024 | [ICRA]BBB- (Stable) | Jan 05, 2024 | [ICRA]BBB- (Stable) | Nov 28, 2022 | [ICRA]BBB(CE) (Stable) withdrawn; [ICRA]BBB-(Stable) assigned simultaneously |
| Non-fund Based | Short term | 4.00 | [ICRA]A3+ | Dec 30, 2024 | [ICRA]A3 | Jan 05, 2024 | [ICRA]A3 | Nov 28, 2022 | [ICRA]A3+(CE) withdrawn; [ICRA]A3 assigned simultaneously |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|------------------------------------|----------------------|
| Long-term fund based – Cash credit | Simple |
| Short term – Non-fund based | 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 | - | - | - | 10.00 | [ICRA]BBB (Stable) |
| NA | Short term – Non-fund based | - | - | - | 4.00 | [ICRA]A3+ |

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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