

September 29, 2025

TTK Healthcare Limited: Ratings reaffirmed

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|--------------------------------------|-------------------------------------|-------------------------------|
| Long-term fund-based facilities | 32.50 | 32.50 | [ICRA]A+ (Stable); reaffirmed |
| Short-term non-fund-based facilities | 7.75 | 7.75 | [ICRA]A1+; reaffirmed |
| Short-term proposed facilities | 0.25 | 0.25 | [ICRA]A1+; reaffirmed |
| Short-term fund-based facilities interchangeable (sub limits) | (16.00) | (16.00) | [ICRA]A1+; reaffirmed |
| Total | 40.50 | 40.50 | |

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings for the bank lines of TTK Healthcare Limited (TTKHL/company) factors in its steady business profile, with a well-diversified presence across consumer products, protective devices (contraceptives), animal welfare products, medical devices and ready-to-fry papads, the strong brand equity and well-entrenched distribution network it has built over the years. Additionally, TTKHL has a comfortable financial risk profile with minimal reliance on external borrowings, resulting in strong debt metrics, and ample cash reserves and liquidity, which supported it in maintaining a negative net-debt position over the past several years. The company's liquidity position remains supported by unencumbered cash and bank balances of Rs. 927.0 crore as on June 30, 2025, which largely comprises the proceeds from the divestment of its human pharma division in FY2023, which continue to be parked as fixed deposits in banks. ICRA will continue to monitor the business plans of the company, including the proposed application of these funds and take suitable action, as and when further clarity emerges on the same.

The ratings, however, continue to be constrained by TTKHL's low margins and moderate scale of operations. The company reported a moderate growth of 6.5% in its revenues to Rs. 801.5 crore in FY2025 as against Rs. 752.8 crore in FY2024, backed by growth across divisions. However, the scale continues to remain relatively moderate. The operating profit margins also remained low at 4.5% in FY2025, given the distribution nature of business in certain segments and limited value addition in others. The margins further moderated to 1.2% in Q1 FY2026 due to higher sales and promotion expenses incurred to support sales growth, especially considering the increased competitive intensity in certain product categories. ICRA notes that the company remains exposed to intense competition in most product segments from both organised and unorganised players. Further, to maintain its market share and brand equity, continuous sales promotion, advertisement and branding are required, which add to costs and can impact margins, as visible in FY2025 and Q1 FY2026. The company's ability to pass on such cost inflation and maintain its margins in a rangebound manner or improve them, would remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its steady cash accruals and debt metrics, strong liquidity position and minimal capex plans.

Key rating drivers and their description

Credit strengths

Strong financial profile – TTKHL's financial profile is supported by strong debt metrics and liquidity. The company remains net-debt negative and had only working capital borrowings of Rs. 25.7 crore outstanding as on June 30, 2025, benefitting from its

low working capital intensity and limited capex requirements. The conservative debt levels have resulted in a strong capital structure, reflected in gearing of 0.02 times as on March 31, 2025, and interest coverage of 10.9 times in FY2025. Additionally, the company had strong cash balances and liquid investments of Rs. 927.0 crore as on June 30, 2025, majorly from proceeds from the sale of the human pharma business in FY2023. The company's liquidity position is expected to remain strong going forward, aided by its cash reserves, absence of long-term debt obligations and limited capex plans over the medium term.

Strong brand equity and well-entrenched distribution network – The company is a part of the reputed TT Krishnamachari Group, a conglomerate with a presence of more than six decades and strong brand equity across product segments. Further, TTKHL has a widespread distribution network and has periodically invested in brand building. It has managed to cross-leverage its existing distribution network and establish brand presence across product segments, which include contraceptives, gripe water, cosmetics, medical devices, homecare and food products.

Diversified product profile – TTKHL derives its revenues from various segments such as animal welfare products, consumer products, food products, protective and medical devices, among others. The diversification insulates the company's revenues from a slowdown in any specific segment/product, to a large extent.

Credit challenges

Moderate scale of operations; low profit margins – TTKHL's scale remains moderate, as reflected by its revenues of Rs. 801.5 crore in FY2025 and Rs. 226.4 crore in Q1 FY2026. The margins also remain low at 4.5% for FY2025 due to the distribution nature of its business in certain segments and limited value addition in others. In Q1 FY2026, the margins declined to 1.2%, mainly due to an increase in brand promotion and discount expenses, especially in consumer products and the protectives division, to sustain competition. Nevertheless, the company's strong brand equity would continue to support its revenues, while benefits from operating leverage as revenues scale up and cost-optimisation measures undertaken would support accruals going forward.

Intense competition and need for sustained brand-building efforts – The company remains exposed to intense competition in most product segments from both organised and unorganised players. Further, in order to maintain its market share and brand equity, continuous sales promotion, advertisement and branding are required, which add to costs. However, the company's ability to pass on cost inflation and maintain its margins in a rangebound manner over a period of time mitigates the risk to an extent.

Liquidity position: Strong

The company's liquidity is strong, with an unencumbered cash balance and liquid investment balance of Rs. 921.6 crore as on March 31, 2025 (Rs. 927.0 crore on June 30, 2025) and anticipated healthy cash flow from operations. In relation to these sources of cash, the company has minimum maintenance capex commitments of Rs. 10.0-12.0 crore per annum in FY2026-FY2028. Also, TTKHL does not have any long-term debt in its books, and hence related obligations remain nil. Overall, ICRA expects TTKHL to be able to meet its medium-term commitments through internal sources of cash and yet be left with surplus cash/liquid investments.

Rating sensitivities

Positive factors – Sustained and significant improvement in scale of operations and earnings while maintaining debt indicators at comfortable levels could accelerate transition towards a higher rating. Specific parameters that could lead to an upgrade include core ROCE greater than 20% on a sustained basis.

Negative factors – Pressure on the ratings could arise from sustained deterioration in profit margins, a stretched working capital cycle, or any large debt-funded capex or acquisitions leading to deterioration in debt indicators.

Environmental and social risks

Environmental considerations: Akin to other FMCG companies, TTKHL remains exposed to the impact of changes in environmental norms with respect to treatment of manufacturing residual discharge/waste. Further, the company will need to adapt to increasing awareness and restrictions on usage of different grades of plastics for packaging and finding environment-friendly solutions. In addition, there is also a trend towards using organically grown input materials and increasing focus on carbon neutrality. Such developments can potentially increase costs for TTKHL, although it is partly mitigated by the company's adequate pricing power. Accordingly, TTKHL has low exposure to environmental risks.

Social considerations: TTKHL has a prominent dependence on human capital, in terms of direct and indirect employees as well as contractual labour. Being an interplay of manufacturing and service businesses, maintaining healthy employee relations and retaining talent by an issuer as well as the supplier ecosystem are essential for disruption-free operations. Besides, any quality concerns could impact brand equity. Also, certain product categories could be impacted because of health consciousness. Nevertheless, TTKHL's overall exposure to social risks remains low to moderate, akin to other fast-moving consumer goods (FMCG) players.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology FMCG |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | The ratings are based on the company's standalone financials. |

About the company

TTK Healthcare Limited (TTKHL) commenced operations in 1958 as a pharmaceutical company. Over the years, it diversified its presence across industries, with revenue sources distributed across many product categories, including contraceptives, gripe water, cosmetics, medical devices, home-care products, and food products. TTKHL has adopted an outsourcing model for manufacturing most of its products, except for the food products, medical and protective devices divisions. The company is a part of the reputed TT Krishnamachari Group, a conglomerate with varied business interests, including the manufacturing of kitchen appliances, contraceptives, consumer products and healthcare products. The Group's flagship company, TTK Prestige Limited, is one of the leading kitchen appliances companies in India.

Key financial indicators (audited)

| Standalone | FY2024 | FY2025 |
|--|--------|--------|
| Operating income | 752.8 | 801.5 |
| PAT | 62.8 | 81.6 |
| OPBDIT/OI | 5.1% | 4.5% |
| PAT/OI | 8.3% | 10.2% |
| Total outside liabilities/Tangible net worth (times) | 0.2 | 0.2 |
| Total debt/OPBDIT (times) | 0.6 | 0.7 |
| Interest coverage (times) | 14.1 | 10.9 |

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Current rating (FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|--------------------------|-------------------------|--------------------------|--------------------|---|-------------------|--------------|---|--------------|---|
| | Type | Amount rated (Rs. crore) | September 29, 2025 | FY2025 | | FY2024 | | FY2023 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Fund Based-Cash Credit | Long Term | 32.50 | [ICRA]A+ (Stable) | Oct 29, 2024 | [ICRA]A+ (Stable) | Sep 04, 2023 | [ICRA]A+; Rating Watch with Positive Implications | Jul 07, 2022 | [ICRA]A+; Rating Watch with Positive Implications |
| Interchangeable- Others | Short Term | 16.00 | [ICRA]A1+ | Oct 29, 2024 | [ICRA]A1+ | Sep 04, 2023 | [ICRA]A1+ | Jul 07, 2022 | [ICRA]A1+ |
| Non Fund Based- Others | Short Term | 7.75 | [ICRA]A1+ | Oct 29, 2024 | [ICRA]A1+ | Sep 04, 2023 | [ICRA]A1+ | Jul 07, 2022 | [ICRA]A1+ |
| Unallocated- Unallocated | Short Term | 0.25 | [ICRA]A1+ | Oct 29, 2024 | [ICRA]A1+ | Sep 04, 2023 | [ICRA]A1+ | Jul 07, 2022 | [ICRA]A1+ |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|----------------------|
| Long-term Fund-based facilities | Simple |
| Short-term Non-fund-based facilities | Very simple |
| Short-term proposed facilities | Not applicable |
| Short-term fund-based facilities interchangeable (sub limits) | Very 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 facilities – CC | NA | NA | NA | 32.50 | [ICRA]A+(Stable) |
| NA | Short-term Non-fund-based facilities | NA | NA | NA | 7.75 | [ICRA] A1+ |
| NA | Short-term Proposed facilities | NA | NA | NA | 0.25 | [ICRA] A1+ |
| NA | Short-term Fund-based facilities interchangeable (Sub limits) | NA | NA | NA | (16.00) | [ICRA] A1+ |

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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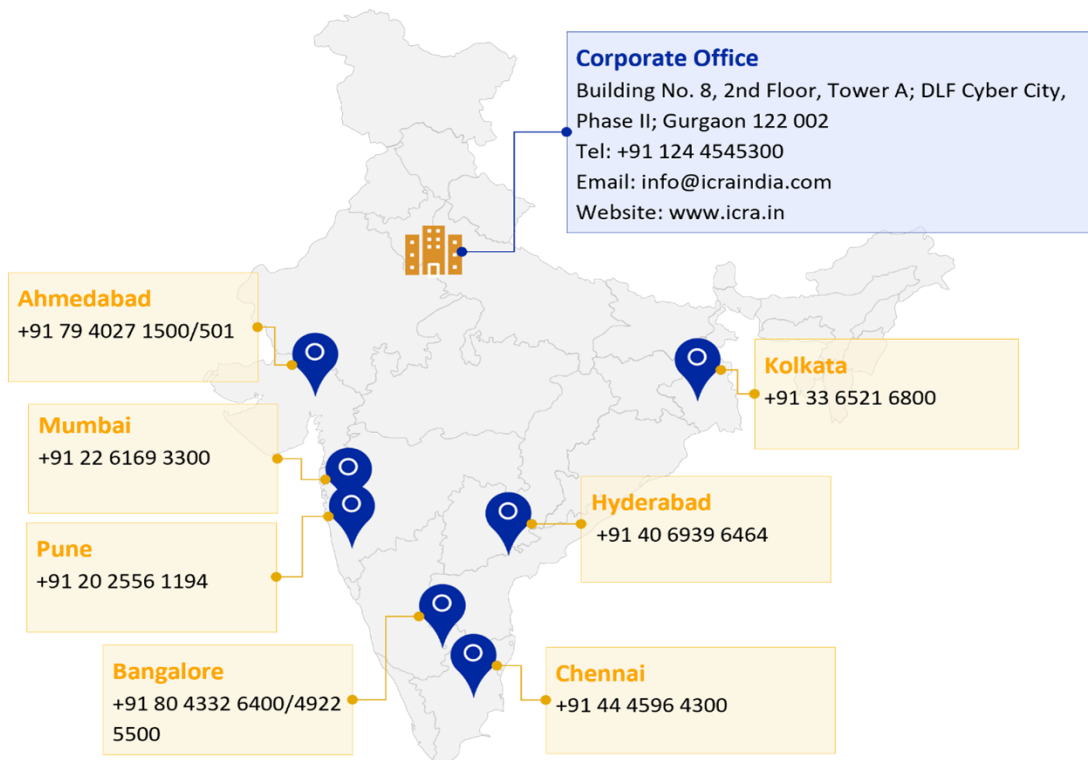


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