

Team Thai

November 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	93.38 (Reduced from 110.88)	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1

Rationale and key rating drivers

The rating assigned to bank facilities of Team Thai (TT) continues to derive strength from promoters' vast experience and long track record for over two decades, established brand in Kerala for its fast-moving consumer goods (FMCG) products, and reputed clientele in the logistics division. The rating also factors in diversified revenue stream, backed by consistent growth in scale of operations, diverse product portfolio, and comfortable capital structure. However, the rating continues to be constrained by geographically concentrated operations in the FMCG business, its profit margins exposed to volatile raw material prices, intense competition in the industry, and partnership nature of the firm.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Sustained scaling up of operations through multiple geographies for its FMCG business.
- Improvement in total debt to gross cash accruals (TD/GCA) below 2.00x.

Negative factors:

- Large debt-funded capital expenditure leading to gearing levels above 0.80-1.00x.
- Substantial decline in total operating income (TOI).

Analytical approach: Combined approach

CARE Ratings Limited (CareEdge Ratings) has combined the credit risk profile of TT and its group companies, Ashique Exports Private Limited (AEPL) and Thai Impex Private Limited (TIPL) (referred to as the Team Thai Group), as entities are engaged in a similar line of business, share significant group synergies, cash flow fungibility, and operate under the same management. List of combined entities is mentioned in Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects the company's ability to maintain its market position, which shall enable it to sustain its healthy business profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Experience of promoters and long operational track record

The promoter of TT, Dr PC Thahir, has been in the logistics and FMCG businesses for over two decades. He started a cement trading firm in 1984, and over the years, has expanded to a diverse business portfolio – from soap and detergent manufacturing to building materials, mining and processing, food products, logistics, and plantations. The group has established a renowned brand in its handwash and detergent segments in Kerala and currently has over 100 stock-keeping units (SKUs) in its FMCG division and over 800 vehicles on road under its logistics division. Dr. Thahir is assisted by his sons, Ashique Thahir and Aghin Thahir, who are supported by functional heads across departments.

Strong brands in FMCG segment and reputed clientele in the logistics division

The group has over 40 registered brands under its name. It sells products in personal care, fabric care, and home care segments. The firm has a direct distribution network in Kerala and Tamil Nadu and is expanding to other states such as Maharashtra, Andhra Pradesh, Telangana, Uttar Pradesh, and Odisha, among others. It has retail partnerships with institutions such as LULU and Reliance, contributing ~17% of total turnover in FY25 in the FMCG segment, improved from ~11% in the previous year. It also directly supplies to the Kerala State Civil Supplies Corporation Limited (Supplyco). Products under the FMCG segment, such as detergent bars and liquid, powdered liquid fabric care products, handwash, and sanitisers, are manufactured through its group

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

concerns, AEPL and TIPL, while TT acts as a trading/distribution entity. The firm also operates a logistics division involved in providing transportation services to major cement manufacturers such as India Cements, UltraTech Cement Limited, ACC Limited, JK Cements Limited, GHCL Limited, and Dalmia Cements Limited across the country.

Diversified revenue stream, backed by consistent growth in scale of operations

The revenue mix comprised a diversified portfolio of products within the FMCG division and a separate logistics division, with each division contributing ~45–50% of the revenue. The group's TOI improved by 6.13% from ₹642 crore in FY24 to ₹681 crore in FY25. The growth in TOI is driven by geographical expansion of the FMCG division and the growth from institutional sales from Lulu and Reliance Retail outlets. In FY25, 10 new branches opened, taking the total to 55 branches and presence across 22 states. To support the increasing scale, the group set up a new plant in Gujarat in FY25 and upgraded machineries in other plants to increase production capacity. In FY25, institutional sales grew by 76% to ₹59.22 crore, contributed to 17% of FMCG (PY: 11%). Going forward, the institutional sales segment is expected to witness a sharp growth, with TT expanding into multiple stores of Lulu under private labelling and Reliance Retail. Institutional sales are expected to double in the medium term.

The firm also operates a plantation division and sells tea, spices, coffee, and vegetables from this division. However, it contributed less than 1% of the total sales for TT in recent years.

Comfortable capital structure despite moderation in debt coverage metrics

The group's capital structure continues to remain comfortable with net worth base of ₹202.53 crore as on March 31, 2024 (PY: ₹221.64 crore). However, overall gearing moderated to 0.66x as on March 31, 2025 (PY: 0.55x) and debt coverage metrics also moderated with TD/GCA at 12.15x as on March 31, 2025 (PY: 3.30x), and interest coverage at 1.94x in FY25 (PY: 5.18x) due to decline in profitability margins.

Key weaknesses

Decline in profitability margins

The profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin declined to 2.99% in FY25 (PY: 7.83%) due to elevated raw material costs, employee expenses, and increased selling expenses. Increase in expenses majorly pertains to promotional activities, such as listing fee, in-store advertisements, discounts offered, and new hire in store marketing incurred for expanding to new geographies such as initial listing in new outlets, sales team building in new states such as Andhra Pradesh, Telangana, Uttar Pradesh, Maharashtra, and Odisha. To partially offset these pressures, the group implemented a price hike of ~5-10% across segments. However, selling expenses are expected to remain elevated in the near term to support continued market penetration. The group's PBILDT and gross cash accruals (GCA) stood at ₹20.40 crore (PY: ₹50.33 crore) and ₹10.96 crore (PY: ₹37.24 crore), respectively, in FY25. The company's ability to scale up operations in the new geographies to absorb the incremental overhead cost will be a key monitorable going forward.

Geographical concentration in FMCG division and customer concentration in logistics division

The group's revenue is geographically concentrated, with a significant part of the revenue generated from Kerala. The management carried out promotional activities in newly entered states to improve geographic diversification. The group is also increasing its presence in North Indian states by listing its products with supermarket and hypermarket clients having operations in North India such as Reliance Retail. However, considerable improvement in geographical diversification is yet to be observed. A major chunk of revenue in the logistics division comes from the cement industry, which is further concentrated among five to eight cement players. In FY25, revenue from the top five cement companies stood at 81%, exposing the group to client concentration risk and dependence on performance of cement companies. The group's ability to expand its geographical presence in the FMCG division and reduce customer concentration in the logistics division shall remain a key rating monitorable.

Susceptibility to raw material price fluctuations

TT's operating margins have been volatile in the past due to fluctuating raw material prices. As FMCG is a price-sensitive and volume-based industry, the group has a limited ability to pass on price hike to its end-consumers immediately, which makes profitability inherently vulnerable to raw material price volatility. In the previous year, raw material prices increased, and the Group was unable to immediately pass on this escalation to customers, which negatively affected profitability. In the current year, the rise in raw material costs is expected to be offset through upward price revisions.

Partnership constitution of the business

TT is a closely held partnership firm. All four partners belong to PC Thahir's family. Being a partnership firm, it is exposed to the inherent risk of partner's capital being withdrawn at the time of personal contingencies and the firm being dissolved on the demise

or retirement or insolvency of partners. Substantial withdrawals from the capital account will impact net worth, and hence, the firm's financial profile.

Intense competition in industry dominated by presence of large players

The Indian FMCG industry is marked by the presence of organised and unorganised players across segments and product categories. Although the group has established its presence in Kerala, it continues to face stiff competition in key segments from established players of the market, including multinationals, in segments, such as soaps and detergents and personal care products.

Liquidity: Adequate

The group has adequate liquidity, marked by expected cash accrual of ₹30-35 crore against a repayment obligation of ~₹16 crore in FY26. However, capex plans for buying new vehicles in logistics division may exert pressure on the liquidity. The group had cash balance of ₹25.17 crore as on March 31, 2025, of which ₹17.21 crore is lien-marked against working capital limits. The promoters had also infused ₹3.02 crore in FY25. Operating cycle has remained moderate at 75-85 days for the last three years. Inventory period of the firm is low, at 20-25 days, in the last five years. The firm mostly makes advance payments for most of the raw material purchases for its FMCG division, with a credit period of 20-25 days on a case-to-case basis. A major part of working capital funding is towards the receivables of the logistics division since clients take around 45-60 days to make payments, which sometimes extends to even 90 days. Average working capital utilisation stood at 85-90% for the last 12 months.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Consolidation](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic Industry
Fast moving consumer goods	Fast moving consumer goods	Household products	Household products

Incorporated as a partnership firm in January 2017, TT is engaged in trading FMCG products, primarily serving personal care, home care, and fabric care segments. The firm also operates a logistics division and plantations based in Kozhikode, Kerala. The FMCG division was established in 1996 in Wayanad, Kerala, originally under the name of the firm, Ashique Enterprises, with manufacturing products in the fabric care segment involving detergents and dishwashes. The group later diversified its product range in the home care and personal care segments and established another unit at Tirunelveli, Tamil Nadu. Since FY22, FMCG products have been manufactured by group entities AEPL and TIPL, while TT oversees sales and distribution in addition to managing the logistics division.

Brief Financials Combined (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	587.99	642.52	681.87
PBILDT	63.46	50.33	20.40
PAT	25.14	4.31	-22.16
Overall gearing (times)	0.39	0.55	0.66
Interest coverage (times)	11.76	5.18	1.94

A: Audited UA: Unaudited; Note: these are latest available financial results

Brief Financials Standalone (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	528.27	577.10	592.88
PBILDIT	28.54	22.36	7.31
PAT	11.22	-10.75	-30.40
Overall gearing (times)	0.50	0.71	0.91
Interest coverage (times)	5.31	2.40	0.77

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	30.00	CARE BBB-; Stable
Fund-based - LT-Cash Credit		-	-	-	25.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	20-07-2027	38.38	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	30.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (29-Aug-24)	1)CARE BBB-; Stable (04-Aug-23)	1)CARE BBB-; Stable (13-Jul-22)
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (29-Aug-24)	1)CARE BBB-; Stable (04-Aug-23)	1)CARE BBB-; Stable (13-Jul-22)
3	Fund-based - LT-Term Loan	LT	38.38	CARE BBB-; Stable	-	1)CARE BBB-; Stable	1)CARE BBB-; Stable	-

						(29-Aug-24)	(04-Aug-23)	
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LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Team Thai	Full	Business Linkages
2	Ashique Exports Private Limited	Full	Business Linkages
3	Thai Impex Private Limited	Full	Business Linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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