

Jyothy Labs Limited

September 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	250.00	CARE AA; Stable	Reaffirmed
Commercial paper	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned for bank facilities of Jyothy Labs Limited (JLL) continues to reflect its strong market position in the domestic fast moving consumer goods (FMCG) sector. JLL is a multi-product, multi-brand enterprise with a diverse portfolio, extensive product reach, and strong collaboration with numerous channel partners, underscoring its broad market coverage and brand presence across FMCG segments. JLL posted stable revenue growth driven by healthy volume expansion despite subdued demand, with profitability improving modestly amid input cost pressures. The rating also reflects JLL's strong financial risk profile, supported by a net debt-free position, sizeable cash and liquid investments, which together provide significant liquidity headroom and financial flexibility.

However, the rating remains constrained by JLL's relatively moderate presence in certain FMCG sub-segments such as detergents and personal care, with persisting demand challenges in the household insecticides segment. Intense competition from larger FMCG players and elevated promotional spends may also weigh on near-term profitability, limiting market share gains.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the outstanding rating of 'CARE A1+' assigned to the Commercial Paper of JLL with immediate effect. The above action has been taken at the request of JLL, as the company has not issued any Commercial Paper in the past two years, and has provided a confirmation letter stating that no CPs are outstanding.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in its scale of operations (total operating income [TOI]) along with significant improvement in market share in the overall FMCG industry.
- Sustained return on capital employed (ROCE) over 25%.

Negative factors

- Decline in the profit before interest, lease rentals, depreciation and taxation (PBILDT) margin on a sustained basis below 11%.
- Any Debt-funded project, resulting in the overall gearing increasing above 0.5x.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has adopted a consolidated approach, considering operational and financial linkages between the parent company and its subsidiary. Consolidated entities are listed under **Annexure-6**. However, in FY25, JLL divested its entire equity stake in Jyothy Kallol Bangladesh Limited (JKBL), transferring it to Kallol Enterprise Limited (KEL). Accordingly, JKBL ceased to be a subsidiary with effect from March 25, 2025, and JLL had no other subsidiaries as on March 31, 2025.

Outlook: Stable

The stable outlook reflects JLL's ability to maintain its market position in select brands, supported by experienced management and strong operational and financial performance. CareEdge Ratings expects that the company's continuous investment in innovation, new product launches, and branding will be key to support its growth and sustain market position.

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

Detailed description of key rating drivers:

Key strengths

Diversified product portfolio and established position in the domestic FMCG industry

JLL operates in home care and personal care segments, which are part of the Indian FMCG industry. Its product portfolio spans fabric care products, dishwashing products, and mosquito repellents, catering to a wide consumer base. Ujala and Henko continues to lead in fabric care, remaining a key revenue contributor. In dishwashing, 'Exo' and 'Pril' maintained steady traction. In household insecticides, the coil segment has been facing degrowth despite price increases, while the liquid vaporiser portfolio has delivered healthier performance. New product launches are underway to support revenue growth and margin improvement. JLL's diversified portfolio and market presence provide a solid base, though innovation and execution remain critical to sustain momentum.

Steady operating efficiency in FY25

In FY25, JLL reported stable revenue growth, primarily supported by higher sales volumes despite a subdued demand environment. Operating margins remained broadly stable considering lower input costs, resulting in a marginal improvement in PBILDT. Fabric care consolidated its position as the key growth driver with consistently healthy profitability. The dishwashing portfolio maintained a steady revenue contribution, with margins sustaining despite cost inflation. The personal care segment continued to face margin pressures due to increase in raw material prices. The household insecticides portfolio, while witnessing a decline in revenue share, narrowed its losses, though profitability remains a challenge. In Q1FY26, JLL posted modest revenue growth of 1.4%, led by volume expansion. Modern trade and digital channels supported this growth trajectory, while general trade remained subdued. However, PBILDT margins moderated in the quarter due to rising input costs. Going forward, CareEdge Ratings expects JLL's volume-led growth trajectory to provide visibility for a gradual recovery in operational performance.

Strong distribution network

The company has established a strong and expansive distribution network. JLL's products are sold through over 3.6 million retail outlets in India. Of these, the company directly services ~1.3 million outlets through its own distribution network, with the help of over 9,900 channel partners. The company has strategically focused on expanding in new geographies and strengthening rural penetration through the adoption of van and moped sales models, offering smaller unit packs tailored for local demand. Digitisation initiatives, including Mobile DMS and Sales Force Automation (SFA), have enhanced operational efficiency, improved distribution metrics such as stock-keeping units (SKUs) sold per outlet, and enabled better market coverage. Increased above-the-line (ATL) investments have supported volume growth and helped it to navigate a slowing consumption environment. These efforts, and targeted product offerings and robust marketing, have reinforced JLL's market presence, allowing it to capture market share and address distribution gaps effectively.

Robust financial risk profile

In FY25, the company remained net debt-free, with only minimal obligations in the form of lease liabilities. Tangible net worth strengthened further, reflecting healthy accretion to reserves, and a dividend of ₹128.52 crore was declared in FY25. Net cash flows from operating activities moderated compared to the previous year, primarily due to higher receivables, inventory buildup, increased advances, and elevated provisions. Despite this moderation, the company's financial risk profile remains strong, supported by its low leverage and absence of long-term debt.

Liquidity: Strong

The company maintains a strong liquidity position, with cash and bank balances, with liquid investments, amounting to ₹748.51 crore as of end-FY25. There has been no utilisation of sanctioned working capital limits, providing additional liquidity headroom. In FY25, the company generated gross cash accruals (GCA) of ₹459.53 crore. The routine and maintenance capex plans, estimated at ~₹65.00 crore, are expected to be funded entirely through internal accruals and cash and bank balances.

Key weaknesses

Presence in a highly competitive and price sensitive FMCG industry

The company operates in a highly competitive FMCG sector dominated by large multinational corporations with diversified product portfolio and the advantage of negative working capital cycles. These players are better positioned to absorb raw material price fluctuations and adopt aggressive pricing strategies. The Indian FMCG market, particularly in rural regions, remains highly price-sensitive, making it difficult for companies to fully pass on cost increases. Intense competition driven by market saturation, heavy marketing spends, and constant innovation places additional pressure on companies to strengthen distribution networks, differentiate product offerings, and reinforce consumer loyalty. Given the highly competitive industry, JLL's strategic initiatives to sustain its market position and protect profitability remains monitorable.

Optimising production efficiency to combat lower utilisation

In FY25, fabric care, the company's largest revenue segment, contributed 44% to sales (PY: 43%), followed by dishwashing at 34% (PY: 34%) and household insecticides at 7% (PY: 8%). Despite their strong contribution, capacity utilisation in fabric care and household insecticides remained below optimal levels, indicating scope for improvement. Better alignment of production with demand, supported by sharper consumer insights, targeted marketing, and optimised processes, can enhance utilisation and market share. This strategic focus will enable JLL to further strengthen operational performance and capture growth opportunities effectively.

Environment, social, and governance (ESG) risks

Particulars	Risk Factors
Environmental	JLL has equipped four of its 14 locations with solar plants, with a total installed capacity of 1,226 KW. Automation initiatives have been implemented across plant locations to improve energy efficiency. The company promotes the use of recycled materials in its packaging and has maintained 100% compliance with Extended Producer Responsibility (EPR) regulations. The company has implemented Zero Liquid Discharge facility at 11 plants. It maintains a 47-acre green belt that functions as a carbon sink.
Social	Digital initiatives such as e-recruitment and HR analytics have strengthened HR systems, while the launch of e-claim expense and travel management platforms has reduced reimbursement turnaround time from over 30 days to six days. With 60% of employees engaged for five years or more, the company has conducted health check-up camps and well-being sessions, promoted diversity and inclusion, and provided flexibility for women returning from maternity breaks.
Governance	As of FY25, JLL's board continues to have a strong independent representation, with four independent directors of 7. ESG-related governance policies have been implemented to ensure transparency, accountability, and ethical practices. The average tenure of directors on the board is approximately five years.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

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 in 1983, JLL is an FMCG company operating across India with 23 manufacturing facilities. The company began with its flagship product, Ujala Supreme, and has since expanded to a multi-category portfolio. JLL's product range includes offerings in fabric care, dishwashing, household insecticides, and personal care. JLL is well known for its flagship brand Ujala, along with other brands such as Henko (fabric detergent), Maxo (mosquito repellent), Margo (personal care), Exo and Pril (dishwashing).

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	2757.01	2847.14	751.00
PBILDT	479.88	500.04	124.20
PAT	369.30	370.38	96.80
Overall gearing (times)	0.05	0.05	NA

Interest coverage (times)	101.45	84.32	NA
---------------------------	--------	-------	----

A: Audited UA: Unaudited; NA: Not Available; 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

List of subsidiaries: Annexure-6

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
Commercial Paper- Commercial Paper (Standalone)		NA	0	NA	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	250.00	CARE AA; 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	Commercial Paper- Commercial Paper (Standalone)	ST	-	-	-	1)CARE A1+ (20-Aug-24)	1)CARE A1+ (18-Sep-23)	1)CARE A1+ (19-Sep-22)
2	Fund-based - LT- Term Loan	LT	-	-	-	-	1)Withdrawn (18-Sep-23)	1)CARE AA; Stable (19-Sep-22)
3	Fund-based - LT- Cash Credit	LT	250.00	CARE AA; Stable	-	1)CARE AA; Stable (20-Aug-24)	1)CARE AA; Stable (18-Sep-23)	1)CARE AA; Stable (19-Sep-22)

LT: Long term; ST: Short 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	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based - LT-Cash Credit	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	Jyothy Kallol Bangladesh Limited (Bangladesh)*	Full	Subsidiary

*JLL sold its entire equity stake in Jyothy Kallol Bangladesh Limited (JKBL), to Kallol Enterprise Limited (KEL). Consequently, JKBL ceased to be a subsidiary of the company with effect from March 25, 2025, and the company had no other subsidiaries as on March 31, 2025.

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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754 3453 E-mail: ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Hardik Manharbhai Shah Director CARE Ratings Limited Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in
	Arti Roy Associate Director CARE Ratings Limited Phone: +91-22-6754 3657 E-mail: arti.roy@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**