

Jubilant Agri and Consumer Products Limited

October 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	5.66	CARE A+; Stable	Assigned
Long-term / Short-term bank facilities	595.00	CARE A+; Stable / CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned ratings of 'CARE A+; Stable / CARE A1+' to bank facilities of Jubilant Agri and Consumer Products Limited (JACPL). Ratings derive strength from JACPL's established track record, experienced management, and continuous strategic support from the Jubilant Bhartia Group. The company has a diversified product portfolio spanning, consumer products, performance polymers, and agri-products with strong brand presence across Jivanjor, Charmwood, Ultra-Italia (wood adhesives and finishes) and Ramban (agri). JACPL enjoys market leadership in solid polyvinyl acetate (SPVA) and vinyl pyridine (VP) latex, which together account for a significant share of its profitability. Ratings also factor in the company's robust financial risk profile, characterised by low leverage (net debt/EBITDA at 0.48x as on March 31, 2025), strong cash accruals, comfortable liquidity, and healthy credit metrics supported by stable operations and absence of major debt-funded capex.

However, ratings remain constrained by exposure to raw material price volatility, particularly vinyl acetate monomer (VAM), sulphur and rock phosphate, which together represent a substantial portion of total costs. The company's profitability is moderately vulnerable to climatic conditions and policy-driven demand in the agri business, and it faces intense competition in both the fertiliser and wood adhesives markets from established players and substitute products such as DAP and NPK complexes. Import dependence and reliance on natural hedging practices expose the company to currency volatility and potential supply-chain disruptions.

CareEdge Ratings notes the company's ongoing plan to demerge its agri businesses to sharpen focus on its higher-margin polymers and adhesives portfolio while diversifying the agri vertical into bulk fertilizers and agri nutrients. Although the demerger may moderate consolidated revenue (as agri contributed ~30% of revenue in FY25 [FY refers to April 01 to March 31]), EBITDA is expected to remain stable, supported by rising contribution from the consumer products division and continued strong position in SPVA and latex. Overall, JACPL's healthy financial structure, diversified revenue base, and group financials and management support are expected to help maintain stable credit metrics post-demerger.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The company's ability to diversify and significantly enhance its scale of operations above ₹2000 crore with operating (profit before interest, lease rentals, depreciation and taxation [PBILDT]) margin over 12% on a sustained basis.

Negative factors

- Any un-envisaged debt funded expansion leading to Net Debt/PBILDT above 1.25 times.
- Decline in PBILDT margins of the company below 8.00% on sustained basis.
- Lack of timely support from the Jubilant Bhartia Group.

Analytical approach: Consolidated

Owing to strong operational and strategic linkages with its subsidiary engaged in the same line of business, ratings also factor in JACPL being part of the Jubilant Bhartia Group, considering strategic linkages and financial support demonstrated by group entities in the past. List of entities consolidated is given in annexure-6

Outlook: Stable

Stable outlook reflects CareEdge Ratings expectation that JACPL will continue to deliver steady operational performance and maintain adequate liquidity. Considering absence of major debt-funded capex, leverage and coverage metrics are expected to remain comfortable over the near-to-medium-term. CareEdge Ratings expects JBG to continue supporting JACPL, if required.

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

Established group lineage, experienced management, and strong promoter support

JACPL draws significant strength from being part of the Jubilant Bhartia Group, a diversified conglomerate with an established presence across pharmaceuticals, chemicals, food services, and life sciences. The group's promoters, Shyam S Bhartia and Hari S Bhartia, have over 40 years of experience in managing large-scale industrial operations and capital-intensive businesses. Promoters hold ~74.77% of JACPL's shareholding as of June 30, 2025, and have demonstrated strong financial commitment through equity infusions of ₹42 crore in FY19–FY20 and inter-corporate support as needed. The strategic amalgamation of Jubilant Industries Limited (JIL) with JACPL in FY25 and subsequent stock exchange listing have simplified the corporate structure and improved governance transparency. CareEdge Ratings has factored in the group's commitment to JACPL to provide need-based support to sustain its credit profile.

In February 2024, JACPL's board approved in principle the demerger of the agri businesses into a separate entity to enhance focus on the higher-margin performance polymers and adhesives segment and diversify the agri business into bulk fertilizers and agri-nutrients. CareEdge Ratings expects JACPL's credit profile will remain stable post the agri business demerger. Sustained growth in other segments, stable profitability, and healthy credit metrics will be key rating monitorable.

Strong financial risk profile with healthy capital structure and low leverage

The company's financial risk profile remains robust, supported by consistent profit generation, term-debt reduction, and prudent working capital management. Gearing improved to 0.24x as on March 31, 2025 (from 0.69x in FY24), reflecting reduced reliance on external borrowings. Interest coverage strengthened to 9.73x in FY25, while total debt to gross cash accruals (TD/GCA) improved to 0.71x, underscoring the company's enhanced debt-servicing ability. The net debt/ PBILDT ratio improved sharply to 0.48x in FY25 from 1.32x in FY24, highlighting strong internal cash generation and low leverage. Considering absence of large debt-funded capex and limited reliance on working capital borrowings (average utilisation ~41%), net leverage is expected to remain comfortable, supported by healthy internal accruals.

Diversified product portfolio and leadership in core segments

The company operates across performance polymers, chemicals and agri products, serving B2B and B2C markets, reducing concentration risk. JACPL holds leading positions in SPVA and VP latex. Consumer brands such as Jivanjor, Charmwood and Ultra Italia enjoy high brand recall in the domestic wood adhesives and finishes market. CPD, SPVA and VP latex accounted for nearly 84% of total EBITDA in FY25. This well-balanced product mix across industrial and consumer segments ensures resilient earnings and provides flexibility to allocate resources toward higher-margin businesses.

Consistent growth and improving operating performance

The company's total operating income (TOI) grew at a compound annual growth rate (CAGR) of ~26% between FY21 and FY25, supported by volume expansion and an improving product mix across business segments. Despite volatility in input prices, PBILDT margins remained stable at 9.5% in FY25 (FY21: 8.5%), aided by raw material cost moderation since FY24 and better operating leverage. The Consumer Products Division (CPD) turned profitable in FY24, led by robust growth in wood adhesives and finishes, and continued to show momentum in FY25. In Q1FY26, revenue increased by ~25% year-on-year, driven by healthy demand in the performance polymers and adhesives segments and recovery in single super phosphate (SSP) volumes. Margins remained broadly stable due to an improved sales mix and cost efficiencies. Sustained growth in the CPD business and steady performance of SPVA and latex segments are expected to enhance blended margins and strengthen overall profitability in the near-to-medium-term, which remains a key rating monitorable.

Key Weaknesses

Exposure to raw material price volatility and currency volatility risk

Profitability remains sensitive to sharp fluctuations in key inputs such as VAM, vinyl pyridine monomer (VPM), sulphur and rock phosphate, which together account for a significant share of total raw material costs. Spikes in feedstock prices in FY22-FY23 compressed margins despite revenue growth across segments. Although raw material prices have since moderated, volatility in crude-linked derivatives and agri feedstocks remains an inherent risk. Sustained cost escalation without adequate pass-through could weigh on margins, particularly in fixed-price contracts and competitive B2C markets.

The company imports critical raw materials such as VAM (for adhesives and chewing gum) and VPM (for latex) primarily from Singapore, China and the UAE. Although imported input share reduced to ~24% in FY25 from ~46% in FY24, dependence remains significant. Reliance on natural hedging exposes the company to foreign exchange volatility, which may impact cost structure in case of sharp currency movements. Supply-chain disruptions, shipment delays or adverse forex movements may elevate working

capital requirements and impact near-term profitability. Continued optimisation of sourcing mix and currency risk management practices will remain a key rating monitorable.

Intense competition in adhesives and fertilisers

In the adhesives market, JACPL competes with large incumbents and industry peers, limiting the company's pricing flexibility and market penetration in the retail segment. Similarly, in the fertiliser sector, the SSP category faces competition from organised and regional players, resulting in price-based competition and limited pricing power. Sustaining brand differentiation requires continued marketing investments, product innovation and dealer network strengthening to retain market share. While volume growth prospects remain healthy, margin expansion is likely to be gradual considering competitive intensity. Delay in brand expansion or weakening of distribution strength may constrain profitability in these segments. The agri products division is vulnerable to monsoon variability and policy changes. Adverse weather or subsidy revisions in FY24 can impact SSP volumes, realisations and overall profitability.

Liquidity: Adequate

The company's liquidity position remains adequate, supported by strong cash flow generation and comfortable debt service coverage. JACPL reported GCA of ~₹108 crore in FY25 against modest repayment obligations of ~₹8.40 crore (including lease liabilities) due in FY26. As on March 31, 2025, the company had free cash and bank balances of ~₹5.89 crore, and unutilised working capital lines providing additional flexibility. The company planned capital expenditure of ~₹30-35 crore in FY26, which is expected to be funded entirely through internal accruals, without recourse to external borrowings. Working capital utilisation remained moderate, averaging ~41% in the last 12 months, supported by efficient receivable management and steady subsidy inflows in the agri segment. Additional comfort is derived from the company's demonstrated financial support from group entities in the form of inter-corporate loans in earlier periods of liquidity pressure. Sustaining healthy cash flow generation and maintaining prudent working capital discipline will remain a key rating monitorable.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Pesticides & Agrochemicals](#)

[Short Term Instruments](#)

[Fertilizer](#)

[Consolidation & Combined Approach](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Fertilizers & agrochemicals	Pesticides & agrochemicals

JACPL is a public listed company of the esteemed Jubilant Bhartia Group. It has a diversified chemical products portfolio that caters to varying needs of several sectors. Presently, JACPL operates at four manufacturing locations strategically located across India, with a total of eight advanced manufacturing plants at Gajraula and Sahibabad, Uttar Pradesh, Kapasan (Chittorgarh), Rajasthan and Savli (Vadodara), Gujarat. Broadly, JACPL operates across two distinct and vital business verticals: performance polymers & chemicals and agri products.

Brief Financials (₹ crore) Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26(UA)
Total operating income	1253.26	1561.53	443.26
PBILDT	111.22	148.25	64.18
PAT	30.68	88.31	44.13
Overall gearing (times)	0.69	0.24	0.19
Interest coverage (times)	5.20	9.73	25.24

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/ST		-	-	-	30.00	CARE A+; Stable / CARE A1+
Fund-based-LT/ST		-	-	-	30.00	CARE A+; Stable / CARE A1+
Fund-based-LT/ST		-	-	-	110.00	CARE A+; Stable / CARE A1+
Non-fund-based-LT/ST		-	-	-	385.00	CARE A+; Stable / CARE A1+
Non-fund-based-LT/ST		-	-	-	40.00	CARE A+; Stable / CARE A1+
Term Loan-Long Term		-	-	30-09-2026	5.66	CARE A+; 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/ST	LT/ST	30.00	CARE A+; Stable / CARE A1+				
2	Fund-based-LT/ST	LT/ST	30.00	CARE A+; Stable / CARE A1+				
3	Non-fund-based-LT/ST	LT/ST	40.00	CARE A+; Stable / CARE A1+				
4	Fund-based-LT/ST	LT/ST	110.00	CARE A+; Stable / CARE A1+				
5	Non-fund-based-LT/ST	LT/ST	385.00	CARE A+; Stable / CARE A1+				
6	Term Loan-Long Term	LT	5.66	CARE A+; Stable				

LT: Long term; LT/ST: Long term/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	Fund-based-LT/ST	Simple
2	Non-fund-based-LT/ST	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo 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	Jubilant Industries Inc. USA	Full	Wholly Owned Subsidiary

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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