

Emami Limited

December 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	168.00	CARE AA+; Stable / CARE A1+	Reaffirmed
Commercial paper	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities and instruments of Emami Limited (EL) continue to derive strength from its established presence in the fast-moving consumer goods (FMCG) industry aided by extensive experience of promoters.

EL has established brands with major product portfolio in the ayurvedic and herbal personal care/cosmetic product segments of the FMCG industry with strong market share in some of its product ranges. Regular investment in brands through organic and inorganic route, its wide marketing and distribution channels and strong research and development (R&D) capabilities enabled the company to steadily grow its scale of operations over the years.

Ratings also favourably factor in the company's robust financial performance in FY25 (refers to April 01 to March 31) with growth in total operating income (TOI) and continued healthy profitability margin and return indicators. However, there has been slight moderation in TOI and operating margin in H1FY26, owing to unfavourable weather impacting summer product demand (mainly Dermicool and Navratna) and temporary trade disruptions following GST rate cuts, which deferred winter portfolio loading (mainly Boroplus). However, the performance is expected to improve in H2FY26 driven by recovery in demand post GST rate cut and repo rate cut, enhancing purchasing power of consumers, and EL's strong brand positioning and wide distribution network. Ratings continue to derive further comfort from EL's strong capital structure, liquidity and debt coverage indicators, despite high dividend pay-out. The strong financial risk profile is expected to sustain, in absence of major debt funded capex/acquisition plan.

Ratings continue to remain constrained by susceptibility of EL's profitability to raw material price volatility and intense competition in the overall FMCG industry, where EL has a moderate presence.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to the commercial paper (CP) issue of EL with immediate effect, as no CP has been issued and there is no amount outstanding as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in its scale of operations (TOI and tangible net worth [TNW]) along with revenue diversification across various product categories and thereby gaining significant market share in the overall FMCG industry
- Maintaining significant free liquidity and a lean operating cycle on a sustained basis.
- Reducing pledge of the promoters' share in EL to negligible levels and maintaining such position on a sustained basis.

Negative factors

- Moderation in its return on capital employed (ROCE) to below 20% on a sustained basis.
- Overall gearing and total debt to profit before interest, lease rentals, depreciation and taxation (TD/PBILDT) of over 0.50x on a sustained basis.
- Material increase in the percentage of pledge of the promoters' share in EL from the existing levels.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of EL and its subsidiaries and associates, as they operate in similar line of business catering to different geographies and there also exists corporate guarantees/letter of comfort extended by EL to some of these entities. The list of entities being consolidated with EL is provided in **Annexure-6**.

Outlook: Stable

The 'stable' outlook reflects that EL is expected to sustain its healthy business risk profile, supported by its established brands in product segments of the FMCG industry with strong market share in some of its product ranges. Financial risk profile is also likely to remain healthy, aided by healthy profitability and return indicators, and very low reliance on external debt.

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

Long and established track record of operations in the FMCG industry

EL was established in 1974 as Kemco Chemicals, manufacturing cosmetic products and ayurvedic medicines under the brand 'Emami'. In 1978, promoters acquired Himani Limited, expanding into cosmetics. Over time, EL diversified through new launches and acquisitions, including Zandu, Keshking, Crème 21, and Dermicool. In FY21, EL entered the hygiene segment with Boroplus hand sanitizers and antiseptic soap to capture growing demand.

Established brands in ayurvedic/herbal personal care segments with strong market share in few of them

EL markets over 500 ayurvedic, herbal, cosmetic, and health care products through 5.4 million retail outlets in India and in over 70 countries globally. Brands including Boroplus, Navratna, Dermicool, Zandu, Mentho Plus Balm, Fair and Handsome, and Kesh King hold significant market share and are expected to contribute strongly to revenue. Revenue from Navratna, Dermicool, Boroplus, Zandu range grew in FY25, while that from Kesh King, Fair and Handsome, The Man Co. & Brillare declined. EL undertook the strategic relaunch of Kesh King as Kesh King Gold in Q2FY26, based on deep consumer research by engaging Boston Consulting Group (BCG) to improve its penetration.

Regular investment in brand strengthening and inorganic growth focussed on D2C

Advertisement and sales promotion expenses were 18.28% of sales in FY25, broadly in line with 18.4% in FY24. CareEdge Ratings notes that EL is gradually expanding its presence in e-commerce channels to capture growing online demand.

Over the years, EL increased its strategic stakes in Helios Lifestyle (male grooming brand "The Man Company") and Brillare Science (skin/hair care), where it currently holds 100% equity stake. In July 2022, EL acquired 30% stake in Cannis Lupus Services (pet care brand "Fur Ball Story") and raised its stake to 47% in FY25 through conversion of compulsorily convertible preference shares into equity share. In October 2023, EL entered the juice category by acquiring 26% stake in Axiom Group (brands under 'AloFrut') for ₹109.56 crore.

These acquisitions and brand investments are expected to strengthen EL's product portfolio in the fast-growing D2C segment, and drive revenue growth in the medium term, supported by rising e-commerce sales and diversification into new categories.

Wide marketing and distribution channel

EL has three distinct marketing channels, including retail, rural trade and export. Retail sales take place through 3,400 distributors and 26 distribution centres. The company has direct and indirect coverage through ~54 lakh retailers in FY25. EL also has presence in the overseas market (17.10% of consolidated sales in FY25), apart from established domestic presence. EL has 26 depots across India.

Products are also sold through organised retail chains and e-commerce platforms. Institutional sales are carried out through direct liaison with Canteen Stores Department (CSD), Government of India. The company has websites for all its major products, and the company's products are also available on prominent eB2B platforms like Udaan and Jio Mart as well as on quick commerce like Blinkit, Zepto, Swiggy Instamart etc. The extensive distribution network is likely to aid the company in growing its market presence further.

Exports are handled by agents around the globe and through overseas marketing subsidiaries of EL. The company's overseas revenue increased from ₹617 crore in FY24 to ₹648 crore in FY25 (comprising ~17.10% of the company's overall revenue) with over 10 brands in its international portfolio and presence in over 70 countries. E-commerce contributed ~12% of the total domestic business in FY25.

Robust financial performance in FY25, however witnessed moderation in H1FY26

The company's overall performance improved in FY25 compared to FY24 with revenue growing by 6% y-o-y. Growth in revenue was driven by growth in domestic business by 7%, international business by ~4%.

The PBILDT margin remained healthy and above industry average at 26.69% in FY25, considering better cost management across all functions. ROCE and return on net worth (RONW) also remained comfortable in FY25. The company has been distributing high dividend in view of healthy accruals and surplus funds.

However, there had been slight moderation in TOI and operating margin in H1FY26 owing to unfavourable weather impacting

summer product demand (mainly Dermicool and Navratna) and temporary trade disruptions following GST rate cuts, which deferred winter portfolio loading (mainly Boroplus). CareEdge Ratings expects the performance to improve driven by recovery in demand post GST rate cut and repo rate cut, enhancing purchasing power of consumer. The strong brand position in some of the product categories is also expected to drive the growth in sales going forward.

Robust capital structure and debt coverage indicators

The company's capital structure and debt coverage indicators remained robust with minimal total debt. Overall gearing stood at 0.03x as on March 31, 2025 (0.04x as on March 31, 2024) and TD/gross cash accruals (GCA) stood at 0.10x as on March 31, 2025 (PY: 0.11x). Working capital limit utilisation stood at negligible levels for 12 months ended November 2025. With no major debt funded capex/acquisition plans in the medium term and healthy liquidity, CareEdge Ratings expects capital structure to remain comfortable.

Experienced promoters and management team

Promoters RS Agarwal and RS Goenka have over four decades of business experience and built Emami into a reputed conglomerate with presence across multiple sectors. EL has a 16-member Board with equal representation from promoters and independent professionals. Promoters stepped down from executive roles in April 2022, transitioning leadership to the next generation while remaining on the Board. Harsha Vardhan Agarwal and Mohan Goenka serve as Vice Chairman-cum-Managing Director and Vice Chairman-cum-Whole Time Director, respectively. Promoters earlier pledged significant shareholding to support group companies but reduced pledge to below 10% through stake sale and monetisation of group assets. Outstanding loan against pledged shares declined from ₹776 crore in August 2024 to ₹723 crore in July 2025.

Strong R&D capabilities for continuous product innovation and packaging development

A team of experienced professionals, including cosmetologists, science/pharma graduates, engineers, and perfume evaluators, strengthens the company's ability to identify customers' unmet needs and develop completely new product segments accordingly. The company has set up a Research and Innovation (R&I) centre spanning over 30,000 square feet (sq ft) in Kolkata. The centre encompasses product innovation, development, product processing science, competitive intelligence cell, analytical development, perfumery science, quality assurance and packaging and development.

Liquidity: Strong

The company's liquidity is marked by strong accruals in FY25 and H1FY26 against nil term debt repayment obligations and cash, bank and liquid investment balance of ₹845 crore as on September 30, 2025 (consolidated). Average working capital limit utilisation also remained at negligible levels for 12-months ended November 2025. The company's unutilised bank lines are adequate to meet its incremental working capital needs in the next one year. The company's operating cycle stood at 47 days in FY25 (52 days in FY24) considering higher inventory of 60 days in FY25 (66 days in FY24). Plans to invest ~₹200 crore in inorganic growth can be comfortably funded from internal generations.

Key weaknesses

Susceptibility of its profitability to volatility in raw material prices

Key raw materials for EL include menthol, packaging materials, and vegetable oils. Polymer prices, used in packaging, are linked to crude oil prices, which are volatile. Menthol oil, light liquid paraffin (LLP), rice bran oil (RBO), seshale wax, and sesame (til) oil are key raw materials for healthcare and personal care products. Most raw materials are sourced domestically, with limited imports. Due to intense competition and price-sensitive consumers, EL may face challenges in passing on raw material cost increases immediately. EL invests in technology and cost efficiencies to mitigate the impact of raw material price volatility on profitability.

Intense competition in FMCG industry

The Indian FMCG market is highly competitive, with numerous organised and unorganised players offering similar products. High competition necessitates increased advertising and promotional spending. Large domestic players and multinational corporations (MNCs) enjoy price and quality advantages over smaller competitors. The market remains fragmented, with rural consumers using unbranded products, creating competition from small and medium manufacturers. Despite fragmentation, low penetration levels indicate long-term growth potential for the FMCG industry. CareEdge Ratings expects EL to leverage its strong brand portfolio and distribution network to maintain competitive positioning and capture growth opportunities in the medium term.

Environment, social, and governance (ESG) risks

EL has implemented an environmental protection policy covering energy optimisation, water management, wastewater treatment, and energy efficiency measures to ensure sustainable operations given the environmental impact of FMCG manufacturing.

EL uses artificial intelligence tools to enhance product sensorial qualities. Its R&D leverages expertise in natural product chemistry and Ayurvedic actives to develop effective solutions without adverse physiological effects. Its R&D aims to develop 100% natural, vegan-compatible formulations and sustainable manufacturing processes to reduce carbon footprint. EL uses clean technologies such as CNG and bio-briquette steam generators to improve operational efficiency and reduce energy consumption and emissions per unit of output. Three manufacturing units have rooftop solar installations, and 19% of total energy requirements are met through renewable sources.

EL undertakes CSR initiatives in education, skill development, health, water, sanitation, and social uplift. CSR spend was ₹13.30 crore in FY25 against an obligation of ₹13.29 crore.

EL's Board comprises 16 directors, including eight independent directors (50%). There have been no whistle-blower complaints, penalties, or regulatory strictures from SEBI or stock exchanges in the last three years.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Diversified FMCG	Diversified FMCG

EL is the flagship company of the Kolkata-based Emami group, one of the leading FMCG companies in India. It is engaged in manufacturing herbal and ayurvedic products in personal, cosmetic and health care segments. Its products are sold under the brands, 'Emami' (Personal and Cosmetic), 'Himani' (Ayurvedic), 'Zandu', 'Keshking' and 'Dermicool'. EL's business is divided in two broad verticals: Healthcare products and home & personal care products.

In addition to strong domestic presence, EL's products are also sold in over 70 countries, with substantial presence in South Asian Association for Regional Cooperation (SAARC) countries; Middle East, North Africa and Pakistan (MENAP) and Africa. EL also has an overseas manufacturing facility in Bangladesh (at Ghazipur in Greater Dhaka) through its wholly owned subsidiary, Emami Bangladesh Limited, which is operational since 2012.

Apart from its five own manufacturing facilities, the company also has over 35 third-party manufacturing facilities in India and four such facilities overseas.

Brief Financials- Consolidated (₹ crore)	FY24 (A)	FY25(A)	H1FY26 (UA)
Total operating income	3,574.37	3,797.38	1,702.60
PBILDT*	945.81	1013.49	388.82
PAT	724.14	802.74	312.61
Overall gearing (times)	0.04	0.03	0.03
Interest coverage (times)	94.80	108.55	76.84

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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/Facilities	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)	-	-	-	Not yet placed	0.00	Withdrawn
Fund-based/Non-fund-based-LT/ST	-	-	-	-	168.00	CARE AA+; Stable / CARE A1+

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/Non-fund-based-LT/ST	LT/ST	168.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (19-Sep-24)	1)CARE AA+; Stable / CARE A1+ (03-Oct-23)	1)CARE AA+; Stable / CARE A1+ (22-Sep-22)
2	Commercial Paper-Commercial Paper (Standalone)	ST	-	-	-	1)CARE A1+ (19-Sep-24)	1)CARE A1+ (03-Oct-23)	1)CARE A1+ (22-Sep-22)

ST: Short 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	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based/Non-fund-based-LT/ST	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	Emami Bangladesh Limited	Full	Subsidiary
2	Emami Lanka (Pvt) Ltd (formerly known as Emami Indo Lanka (Pvt) Ltd) (from March 04, 2022)	Full	Subsidiary
3	Emami International FZE	Full	Subsidiary
4	Emami Overseas FZE	Full	Subsidiary
5	Pharmaderm Company S.A.E.	Full	Subsidiary
6	Emami Rus (LLC)	Full	Subsidiary
7	Crème 21 GMBH	Full	Subsidiary
8	Emami Personal Care Trading LLC (from February 15, 2022)	Full	Subsidiary
9	Brillare Science Pvt Ltd	Full	Subsidiary
10	Helios Lifestyle Pvt Ltd	Full	Subsidiary
11	Cannis Lupus Services India Pvt Ltd	Moderate	Associate
12	Tru Native F&B Pvt Ltd (from March 05, 2022)	Moderate	Associate
13	Axiom Ayurveda Private Limited (from October 17, 2023)	Moderate	Associate
14	Axiom Foods and Beverages Private Limited (from October 17, 2023)	Moderate	Associate
15	Axiom Packwell Private Limited (from October 17, 2023)	Moderate	Associate

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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