Jubilant Agri and Consumer Products Limited

September 22, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	625.00 (Enhanced from 595.00)	CARE A+; Stable / CARE A1+	Reaffirmed
Long-term bank facilities	RBI	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of Jubilant Agri and Consumer Products Limited (JACPL) 'CARE A+; Stable / CARE A1+'. Ratings continue to 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 growing scale of operations while maintaining low leverage (net debt/earnings before interest, taxation, depreciation, and amortisation [EBITDA] of 0.23x as on March 31, 2026), strong cash accruals, comfortable liquidity, and healthy credit metrics supported by stable operations and absence of major debt-funded capex. FY26 witnessed growth supported by double digit growth in the WWA division and profit before interest, lease rentals, depreciation, and taxation (PBILDT). The increase in scale of operations supported profitability, resulting in a corresponding improvement in PBILDT during the year. Going forward, margins are expected to witness slight moderation due to ongoing geopolitical disruptions. Profitability is expected to remain healthy, supported by the company's established market position, diversified product portfolio, and ability to sustain adequate operating efficiencies.

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.

The proposed demerger is primarily aimed at creating focused business platforms that are better aligned with the distinct operating dynamics, growth strategies, and capital. The company has established a meaningful presence across each of its operating segments and intends to pursue independent growth opportunities through dedicated management attention and tailored business strategies. While the demerger may result in a moderation in the consolidated revenue base, both resulting entities are expected to retain adequate scale, established market positions, and healthy profitability profiles. The polymers business is expected to benefit its strong product portfolio in consumer products business (Wood Adhesive and Wood finishes) and niche product offering in SPVA and Latex business., while the agri business is expected to leverage opportunities in bulk fertilizers and agri nutrients. Accordingly, CareEdge Ratings expects both entities to maintain sustainable earnings generation capabilities and stable credit profiles, supported by their established operational track record, diversified customer base, and continued group management support.

CareEdge Ratings has also withdrawn ratings assigned to the company's term loan facility, with immediate effect, upon full repayment of the loan and confirmation from the lender.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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 ₹2,000 crore (prior to demerger) with operating (PBILDT) margin over 12% on a sustained basis.

Negative factors

- Any un-envisaged debt-funded expansion leading to net debt/PBILDT above 1.25x.
- Decline in PBILDT margins of the company below 8.00% on a 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, with strategic linkages and financial support demonstrated by group entities in the past. List of consolidated entities is given in Annexure-5.

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 Jubilant Bhartia group (JBG) to continue supporting JACPL, if required.

Detailed description of key rating drivers

Key strengths

Established group lineage, experienced management, and strong promoter support

JACPL draws significant strength from it 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 ~74.36% of JACPL's shareholding as on June 30, 2026, 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.

The Board of Directors at its meeting held on November 04, 2025, approved the Scheme of Arrangement for demerger between Jubilant Agri and Consumer Products Limited ("The Company" / "Demerged Company") and Jubilant Agri Solutions Limited (the "Resulting Company"). The same is being done with an objective to focus and allocate resources for strengthening the Performance Polymers Business, with emphasis on the adhesives business and diversify the agri-business into other agri-products, such as Agri Nutrients, besides maintaining its dominance in SSP. The company expects the final approval from National Company Law Tribunal (NCLT) to be obtained by the mid of Q4FY27. 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.

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 wood finishes market. CPD, SPVA, and VP latex accounted for nearly 66% of total EBITDA in FY26 (84% 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 demonstrated healthy revenue growth in FY26, with total operating income (TOI) increasing by ~21% y-o-y to ₹1,894 crore, with growth across both the divisions, the Agri and CPD divisions. The Agri segment recorded strong expansion, supported by increase in SSP realisations and rise in sales volumes. The company's entry into the bulk fertilizer segment through

NPK 20:20:0:13 contributed to business diversification and supported overall growth, resulting in over 50% growth in the Agri division during the year. The CPD division also reported a healthy ~13% year-on-year growth.

PBILDT margins also improved from 9.49% in FY25 to 10.66% in FY26, largely driven by the improvement in the profitability in the agri division owing to the improvement in realisations of SSP and increase in sales volume.

In Q1FY27, the company reported a TOI of ~₹523 crore and a PBILDT of ₹69 crore, compared to ₹442 crore and ₹62 crore, respectively, in the same quarter of the previous year. Profitability margins were at 13.14% in Q1 FY27 compared to 14.02% in Q1FY26. The company operates under a raw material-linked pricing mechanism, enabling it to pass on increases in input costs to customers with a short time lag, protecting profitability from sharp movements in key raw materials. However, its ability to fully pass on higher freight costs remains limited, which may exert some pressure on margins in periods of elevated logistics costs and shall remain a key monitorable going forward.

Strong financial risk profile with healthy capital structure and low leverage

The company's financial profile remains strong, with overall gearing improving significantly due to healthy profitability and continued repayment of term debt. With only a small instalment remaining due in September 2026, the company is expected to become term debt-free, supporting a robust balance sheet. Going forward, gearing may witness a modest uptick due to higher working capital utilisation, primarily resulting from changes in supplier payment terms amid the ongoing West Asia crisis, with some suppliers shifting from bank guarantee-backed arrangements to advance payment requirements. The credit profile is expected to remain healthy, supported by steady earnings generation, with gearing likely to remain within the 0.15x-0.25x range over the medium term.

Interest coverage also strengthened to 22.61x in FY26, while total debt to gross cash accruals (TD/GCA) improved to 0.35x, underscoring the company's enhanced debt-servicing ability. The net debt/ PBILDT ratio improved sharply to 0.23x in FY26 from 0.48x in FY25, highlighting strong internal cash generation and low leverage. Considering absence of large debt-funded capex and limited reliance on working capital borrowings (average utilisation ~36%), net leverage is expected to remain comfortable, supported by healthy internal accruals.

The company has planned a brownfield expansion in its Polymer business segment with a capital outlay of ~₹50 crore, which will be entirely funded through internal accruals. The project is expected to be completed by Q3FY27.

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. The company imports critical raw materials, such as VAM (for adhesives and SPVA) and VPM (for latex) primarily from Singapore, China, and the Middle East. Reliance on natural hedging exposes the company to foreign exchange volatility, which may impact cost structure in case of sharp currency movements. FY26 saw a significant increase in sulphur prices. This was mainly attributable to middle east crisis, increased demand in China and lower extraction of Sulphur from Sweet crude imported from Russia. The prices further increased in Q1FY27 due to the ongoing Middle East Crisis. However, the company has demonstrated the ability to pass on the impact of increase in Raw Material cost through increase in price of final product. Other raw material, such as VAM, VPL, Butadine among others, also surged in Q1FY27. VAM witnessed a correction in prices following Q1FY27. As a result, the company expects to benefit from the price hikes implemented in the first quarter across the wood adhesives industry, while input costs continue to soften.

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.

Liquidity: Adequate

The company's liquidity profile remains adequate, supported by expected GCA of ₹150-170 crore in FY27 against modest debt repayment obligations of ~₹6 crore, including lease liabilities. As on March 31, 2026, the company had free cash and bank balances of ~₹6 crore. The company has also planned a brownfield expansion in its Latex division with a capital outlay of ~₹50 crore, which is expected to be funded entirely through internal accruals. In addition, the company has working capital limits of

₹200 crore to meet its operational requirements. The average utilisation of these limits remained comfortable at ~36% in the 12-month period ended July 2026, providing adequate financial flexibility to support business growth.

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
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 and chemicals and agri products.

Brief Financials (₹ crore)- Consolidated	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1561.53	1893.56	523.06
PBILDT*	148.25	200.89	68.75
Profit after tax (PAT)	88.31	127.87	46.11
Overall gearing (x)	0.24	0.11	NA
Interest coverage (x)	9.73	22.61	30.15

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

CareEdge RATINGS

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	40.00	CARE A+; Stable / CARE A1+
Fund-based-LT/ST	RBI	Simple	-		-	-	30.00	CARE A+; Stable / CARE A1+
Fund-based-LT/ST	RBI	Simple	-		-	-	130.00	CARE A+; Stable / CARE A1+
Non-fund-based-LT/ST	RBI	Simple	-		-	-	40.00	CARE A+; Stable / CARE A1+
Non-fund-based-LT/ST	RBI	Simple	-		-	-	385.00	CARE A+; Stable / CARE A1+
Term Loan-Long Term	RBI	Simple	-		-	30-09-2026	0.00	Withdrawn

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 2026-2027	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
1	Fund-based-LT/ST	LT/ST	40.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Oct-25)	-	-
2	Fund-based-LT/ST	LT/ST	30.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Oct-25)	-	-
3	Non-fund-based-LT/ST	LT/ST	40.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Oct-25)	-	-
4	Fund-based-LT/ST	LT/ST	130.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Oct-25)	-	-
5	Non-fund-based-LT/ST	LT/ST	385.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Oct-25)	-	-
6	Term Loan-Long Term	LT	-	-	-	1)CARE A+; Stable (17-Oct-25)	-	-

LT: Long term; LT/ST: Long term/Short term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: 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
2	Jubilant Agri Solutions Limited	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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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

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