

Jyothy Labs Limited

September 23, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	250.00	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to 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 diversified portfolio, extensive product reach, and strong collaboration with channel partners, underscoring its broad market coverage and brand presence across FMCG segments. The rating also factors in the company's demonstrated ability to manage portfolio transitions, including the discontinuation of the Pril and Fa brands effective June 1, 2026. While Pril contributed ~7-8% of revenues, JLL continues to maintain a strong presence in the dishwashing category through its Exo franchise and is scaling up Exo Dishwash Liquid to mitigate the impact of the transition. The rating further derives strength from JLL's strong financial risk profile, supported by its net debt-free balance sheet, strong cashflow generation and sizeable cash and liquid investments of ~₹997 crore as on March 31, 2026, which provide significant liquidity headroom and financial flexibility.

However, the rating remains constrained by JLL's relatively moderate presence in certain FMCG sub-segments, exposure to crude-linked raw material and packaging cost volatility, and intense competition from larger FMCG players with stronger pricing power and diversified portfolios. Near-term profitability remains susceptible to elevated linear alkyl benzene sulphonic acid (LABSA) and packaging costs arising from crude price volatility and geopolitical developments in the Middle East.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in its scale of operations (total operating income [TOI]) and 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: Standalone

CARE Ratings Limited (CareEdge Ratings) has changed its approach to standalone from consolidated, as JLL had no subsidiaries, associates, or joint ventures (JVs) as on March 31, 2026. Its erstwhile subsidiary, Jyothy Kallol Bangladesh Limited, ceased to be a subsidiary following divestment of JLL's entire 75% stake on March 25, 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.

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 continue to lead in fabric care, remaining key revenue contributors. In dishwashing, Exo maintained steady traction. Although Pril and Fa

¹SEBI: 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

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

were discontinued from June 01, 2026, the company's ability to leverage the Exo franchise and existing manufacturing and distribution infrastructure mitigates transition risks and supports business continuity. Exo, which is already among the company's largest brands and has a strong presence in dishwashing bars, is being expanded further in liquid dishwash formats. The existing manufacturing infrastructure remains fungible and is been utilised for Exo and other home-care products, limiting operational disruption. 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 FY26

In FY26, JLL reported stable revenue growth, supported by healthy volume growth. Fabric care remained the principal growth driver, recording 8.1% value growth and 9.5% volume growth, supported by detergent powders, bars and the nearly twofold growth in liquid detergents. PBILDT margin moderated to 15.32% in FY26 from 17.59% in FY25 due to raw-material inflation and limited cost pass-through. Profit after tax (PAT) consequently declined by 10.0% to ₹333.19 crore (PY: ₹371.17 crore).

In Q1FY27, Fabric Care reported 14.1% value growth and 10% volume growth, while Home Care excluding Pril grew by 2.4%, indicating resilience in the core portfolio despite the discontinuation of Pril and Fa from June 1, 2026. The reported performance reflects both the initial impact of the brand transition and a sharp increase in crude-linked raw material and packaging costs, particularly LABSA and allied surfactants. Consequently, PBILDT margin moderated by ~810 basis points to 8.4%. JLL undertook blended price increases of ~4%-4.5%, of which ~3% was reflected in Q1FY27 and the balance is expected to flow through Q2FY27. While the discontinuation of Pril and Fa is expected to have a near-term impact on revenue mix and profitability in the dishwashing segment, the company continues to leverage its strong Exo franchise, including the scaling up of Exo Dishwash Liquid, supported by its existing manufacturing and distribution infrastructure. Margin recovery is expected to be progressive, supported by commodity-price stability, additional pricing actions, operating leverage and growth in modern trade and digital channels.

Strong distribution network

JLL has an established pan-India omnichannel distribution network, with its products available across ~4.0 million retail outlets as on June 30, 2026, including direct reach of over 1.4 million outlets, supported by 10,000+ channel partners. In FY26, the company added nearly 0.1 million outlets to its direct network through broad-based expansion across urban and rural markets, while modern trade, e-commerce, and quick-commerce channels grew by 26%. Rural and semi-urban penetration is supported by its moped and van distribution models and affordable small and sachet packs. Distribution efficiency is strengthened through the distributor management system, continuous replenishment system, AI-based suggested ordering, outlet-level analytics, and image-recognition technology for monitoring retail execution. The wider reach, sustained brand investments, and targeted product offerings support product availability and reinforce JLL's established competitive position amid intense pricing and promotional competition.

Robust financial risk profile

In FY26, 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 FY26. Net cash flows from operating activities improved compared to previous year, supported by healthy cash generation from operations. The company's financial risk profile remains strong, supported by low leverage and the absence of long-term debt.

Liquidity: Strong

The company continues to maintain a strong liquidity position, supported by cash and bank balances, including investments, of ~₹997 crore as on March 31, 2026. JLL remained net debt-free, with no bank borrowings outstanding at FY26-end, providing sizeable liquidity headroom. Gross cash accruals (GCA) stood at ~₹433.61 crore in FY26 and remained adequate against routine capex of ~₹65 crore incurred during the year. Future routine and maintenance capex is expected to be funded through internal accruals and available cash and liquid investments.

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.

Exposure to raw material volatility

JLL remains exposed to volatility in crude-linked raw materials, particularly LABSA (acid slurry), SLES and packaging materials. The recent escalation in Middle East geopolitical tensions has resulted in higher crude oil prices and input cost inflation, adversely impacting gross margins in Q1FY27. While JLL has undertaken blended price increases of ~4%-4.5%, the benefit is expected to accrue gradually over Q2FY27 and H2FY27.

Optimising production efficiency to combat lower utilisation

In FY26, fabric care, the company's largest revenue segment, contributed 46% to sales (PY: 44%), followed by Home care at 41% and personal care at 11%. 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	In FY26, JLL operated solar plants across four locations, with a total installed capacity of 1,226 kW. Energy-efficiency measures included IE3 motors, variable-frequency drives and compressed-air optimisation. The company achieved 100% of its EPR plastic-collection target, while recycled plastic content in packaging increased from 0.58% in FY25 to 2.11% in FY26. Zero liquid discharge systems were operational at 12 plants, with treated water reused for gardening, green-belt redevelopment, and washrooms. JLL also maintained a 47.25-acre green belt.
Social	In FY26, JLL strengthened employee-facing systems through the multilingual Genesis induction module, automated Anubhav onboarding survey, JConnect Plus platform for performance management and service requests, and E Bot-enabled automation of expense claims. The company invested over 143,157 training man-hours across manufacturing, sales and corporate functions and hired 21 management trainees through its JEmbark campus programme. It also conducted annual health check-up camps and wellness sessions and introduced flexible health plans covering optional OPD benefits, maternity-benefit enhancements, cervical-cancer vaccination, and voluntary term-life insurance. As on March 31, 2026, average employee tenure stood at 12.5 years; 67% of employees had served for over five years and 41% for over 15 years.
Governance	As on March 31, 2026, JLL's Board comprised seven directors, including three executive directors and four non-executive independent directors, resulting in independent representation of 57%. The Board included two women directors, of whom one was independent. Five Board meetings were held in FY26 with 100% attendance. The Board-level ESG Committee, constituted in March 2023, oversees ESG practices and risks, while compliance is monitored through the Legatrix platform; no discrepancies were observed in FY26.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

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, and other brands such as Henko (fabric detergent), Maxo (mosquito repellent), Margo (personal care), and Exo (dishwashing).

Brief Financials (₹ crore) (Standalone)	FY25	FY26	Q1FY27
Total operating income	2,844.08	2,945.47	773.40
PBILDT*	500.28	451.12	64.68
Profit after tax (PAT)	371.17	333.19	47.64
Overall gearing (x)	0.05	0.03	-
Interest coverage (x)	84.36	90.40	53.90

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

*Profit before interest lease depreciation 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.

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-Cash Credit	RBI	Simple	-		-	-	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 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	Commercial Paper-Commercial Paper (Standalone)	ST	-	-	-	1)Withdrawn (16-Sep-25)	1)CARE A1+ (20-Aug-24)	1)CARE A1+ (18-Sep-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (18-Sep-23)
3	Fund-based - LT-Cash Credit	LT	250.00	CARE AA; Stable	-	1)CARE AA; Stable (16-Sep-25)	1)CARE AA; Stable (20-Aug-24)	1)CARE AA; Stable (18-Sep-23)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities**Annexure-4: Lender details**

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

Annexure-5: List of entities consolidated: Not applicable

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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