Eureka Forbes Limited

November 17, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Issuer rating	NA	0.00	CARE AA; Stable	Reaffirmed
Long-term bank facilities	RBI	338.75	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Issuer ratings: There is no instrument being rated and hence, Regulator of the Instrument is not applicable. Rating scale and definitions are being followed as stipulated in Securities and Exchange Board of India (SEBI) Master Circular for credit rating agencies (CRAs).

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities and issuer rating of Eureka Forbes Limited (EFL) factors in its established brand presence and leadership position in the domestic water purifier and vacuum cleaner segments, supported by its extensive distribution and service network across India. Ratings continue to derive strength from favourable industry prospects driven by increasing urbanisation, rising health and hygiene awareness, and low category penetration levels in India. Ratings also factor in benefit derived from the sponsor; Advent-backed Lunolux Limited and an experienced management.

Ratings also factor in the satisfactory financial performance in FY26, in line with levels envisaged by CARE Ratings Limited (CareEdge Ratings). Revenue from operations grew by 11.17% to ₹2,709 crore in FY26 from ₹2,437 crore in FY25, driven by strong growth in the product segment and increasing contribution from emerging categories, such as air purifiers, robotics, and water softeners. Profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin improved to 11.59% in FY26 from 10.90% in FY25. The growth momentum continued in the current fiscal with total operating income (TOI) growing by 15.14% year-on-year (y-o-y) in H1FY27. While margins weakened in Q1FY27 (to below 10%, at around 9.91%), it picked up in Q2FY27, driven by increased sales and calibrated price increase in April'26. Thus, overall PBILDT margin remained broadly stable at 11.60% in H1FY27 against 11.53% in H1FY26.

Ratings also consider EFL's robust financial risk profile characterised by negligible leverage, net debt surplus position, and a strong liquidity profile. Overall gearing stood at 0.01x as on March 31, 2026, while total debt (TD)/PBILDT improved to 0.09x in FY26. With no significant debt-funded capex plans and low utilisation of working capital limits, the company is expected to maintain a strong capital structure and comfortable liquidity position.

The rating strengths are, however, constrained by susceptibility to raw material price volatility, moderate return indicators, and fluctuation in profitability. Despite a strong market position, EFL's revenue profile has been modest and sustenance of strong double digit revenue growth shall be important to scale up revenue, profit, and return indicators. At times of inflationary pressure, margins are susceptible to moderate and may drop to single digit percentage. The company's operation is also subject to highly competitive nature of the consumer durables industry with evolving customer preferences and changing market dynamics. Thus, continued investment in research and development and expansion/upgradation of product profile shall be important from growth perspective.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Continued double-digit revenue growth, expansion of market share and improvement in profitability margin on sustained basis
- Sustained strong financial risk profile and debt protection metrics with total debt to PBILDT at 0.5x maintained on a sustained basis

Negative factors

- Large debt-funded acquisition or investment weakening liquidity or adversely impacting overall financial position.
- Decline in scale of operations and PBILDT margin below 10% on a sustained basis.

[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 ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Analytical approach:
Consolidated, as there exists business, financial, and management linkages with subsidiaries. Companies consolidated are listed under Annexure-5.

Outlook: Stable
The stable outlook reflects expectation of continued leadership position in water purifier and vacuum cleaner market in India, growing scale of business with stable profitability and adequate liquidity position.

Detailed description of key rating drivers

Key strengths
Market leadership in vacuum cleaners and water purifiers
EFL enjoys a leadership position in India's water purification systems and vacuum cleaner segments, with dominant market share in their respective categories. Its strong brand recall is supported by flagship brands, such as Aquaguard and Forbes. As on March 31, 2026, EFL operated through 25,000+ outlets across 2,700+ towns. The company's direct sales network provides unique household access and remains a key differentiator as it also has a robust service network with 9,000+ service technicians covering 19,500+ postal codes across India.

In FY26, the company continued to invest in brand building and sales promotion initiatives, with a focussed effort on strengthening in-store visibility and presence across modern retail channels and brand recall. This extensive distribution and service network, along with continued investments in brand visibility, is expected to support its market leadership and revenue growth in the medium term.

Satisfactory financial performance
Revenue from operations grew by 11.16% to ₹2,709 crore in FY26 from ₹2,437 crore in FY25, driven by product revenue growth of ~14%, with growth in emerging categories, such as robotics, air purifiers, and water softeners. EFL derives revenue from products and services, with water purifiers contributing 43% of revenue in FY26, followed by services (31%), vacuum cleaners (16%), and other products (10%). PBILDT margin remained stable at 11.59% in FY26 against 10.90% in FY25, supported by strategic sourcing and manufacturing efficiencies, and continued high investments in advertising and promotions.

EFL is increasingly focusing on strengthening its recurring revenue stream from after-sales service and filter replacements. The company is also undertaking consumer awareness initiatives regarding use of branded and genuine filters, including influencer-led campaigns, while expanding filter availability through a dedicated distribution network catering to local technicians. These initiatives are expected to enhance filter replacement penetration, improve service-related revenues, and further strengthen customer engagement.

Performance continued to remain satisfactory in H1FY27, with TOI increasing by 15.14% y-o-y to ₹1589 crore (₹1380 crore in H1FY26). However, profitability has been stable with inflationary pressure moderating margins in Q1FY27 (to below 10%, at around 9.91%). Driven by volume growth and calibrated price rise, margins have stabilised to 11.60% in H1FY27 against 11.53% in H1FY26.

Robust financial position
EFL maintains a strong financial position with an overall gearing of 0.01x as on March 31, 2026. Consolidated net debt improved from surplus of ₹285 crore as on March 31, 2025, to a surplus of ₹447 crore as on March 31, 2026. TD/PBILDT remained comfortable at 0.09x in FY26 against 0.10x in FY25. CareEdge Ratings expects TD/PBILDT to remain below unity in the medium term, supported by absence of large debt-funded expansion. With adequate capacity and no major capex plans, the company does not anticipate significant debt addition, which will help maintain a strong capital structure and healthy coverage metrics.

Lean operating cycle
EFL's operating cycle remains lean in FY26, with a collection period of 28 days, and ~2 months of average inventory period, which has been built up consciously to sustain for higher sales in the festive season as on September 2026. The company maintains raw material inventory of ~1.5–2 months, resulting in a working capital cycle of ~2 months and minimal working capital requirement. This is reflected in low utilisation of fund-based and non-fund-based limits at 14% for 11 months ended June 30, 2026.

Strong sponsor with experienced board members and management team

EFL is majority-owned by Lunolux Limited, an Advent entity, holding 62.51% stake as on September 30, 2026. Advent is a global private equity fund managing over US$109 billion in assets as on June 30, 2026, with a diversified sector presence. EFL is governed by a professional board led by Arvind Uppal as Chairman, with over three decades of experience in the consumer durables industry. Pratik Pota, Managing Director (MD) and Chief Executive Officer (CEO), brings over three decades of leadership experience across national and multinational companies. Strong promoter backing and experienced leadership are expected to support strategic initiatives, operational efficiency, and sustained growth in the medium term.

Favourable industry outlook

EFL primarily operates in water purifier, water softener, vacuum cleaner, and air purifier segments. Increasing urbanisation, rising income levels, greater female workforce participation, and heightened focus on health and hygiene are expected to drive higher usage of consumer appliances. In India, market penetration of vacuum cleaners and water purifiers remains very low at less than 2-7%, compared to 60-80% in developed countries. Consequently, underlying growth potential in water purifiers, vacuum cleaners, and air purifiers is expected to remain robust in the medium term.

Key weaknesses

Modest scale and profitability susceptible to input price volatility

The company has witnessed strong y-o-y growth over the last 3 years; however, the size and scale still remains modest with revenue of ₹2,709 in FY26.

Raw material costs accounted for ~41% of total revenue in FY26. Prices of key raw materials, such as plastic, copper, and steel remain susceptible to volatility, while geopolitical developments, including ongoing tensions in West Asia, have contributed to inflationary pressures, supply chain uncertainties, and currency fluctuations. As a result, EFL has been facing gross margin pressure in H1FY27. Profit margins have witnessed fluctuation in the past and have started moving to double digit from FY25 onwards. Further EFL also remains exposed to foreign exchange risks arising due to sourcing from China reflected in steady increase (₹416 crore in FY26 against ₹301 crore in FY25) in foreign exchange outgo towards imports of finished goods and components. The return on capital employed has also been modest at ~5.11% in FY26. Thus, continued double digit growth and the company's ability to sustain profitability, amidst fluctuations in input costs, foreign exchange movements, and continued growth investments will remain a key monitorable.

Intense competition in the industry

EFL continues to face stiff competition from new entrants in the water purifiers and vacuum cleaner's product category challenging the dominant market share in India. Additionally, the consumer durables industry is exposed to newer entrants and cheaper alternatives as a result. While EFL has the first mover advantage; it may need continued investment to leverage on its strong distribution network and brand recall.

Liquidity: Strong

EFL's liquidity profile is strong, generating sufficient accruals (₹271 crore in FY26), against nil term debt obligation. Utilisation of EFL's (standalone) working capital bank limits has also been low with average utilisation being ~14% in 11-months ended June 2026. EFL had cash balance and liquid investments of ₹375 crore as on September 30, 2026.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Environmental:

EFL remains compliant with applicable environmental regulations and emission norms, with periodic reporting to the relevant pollution control authorities. The company has installed Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) at its manufacturing facilities for recycling and reuse of treated water. EFL has undertaken sustainability initiatives, including increasing the share of renewable energy consumption, reducing greenhouse gas emissions, sustainable packaging, waste management, and water conservation measures. Based on the company's disclosures, around 20% of its energy requirements are met through renewable sources.

Social:

EFL has established health and safety management systems and maintains ISO 45001 certification. The company conducts regular employee safety training programmes and has received industry recognition for its safety practices, reflecting its focus on workforce welfare and workplace safety.

Governance:

Board comprises adequate mix of executive and non-executive/independent directors (four of seven directors are Non-Executive - Independent Director), reflecting prudent corporate governance practice.

Applicable criteria

Definition of Default
Consolidation
Issuer Ratings
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
Consumer discretionary	Consumer durables	Consumer durables	Household appliances

EFL is a publicly listed company operating in the health and hygiene segment, with product portfolio comprising water purifiers, vacuum cleaners, air purifiers, and water softeners. It markets water purifiers under brands 'Aquaguard', 'Dr. Aquaguard', and 'AquaSure' (non-electric purifiers), vacuum cleaners under the brand 'Euroclean', and air purification system under the brand 'Euroair'. Lunolux Limited, an Advent entity and global private equity investor holds about 62.51% in EFL with balance shareholding with public (16.98%), foreign institutional investors (FIIs), domestic institutional investors (DIIs), and government (20.51%) as on September 30, 2026.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	H1FY27 (U/A)
Total operating income	2,436.91	2,709.06	1588.90
PBILDT*	265.59	313.93	184.38
Profit after tax (PAT)	164.41	162.62	131.08
Overall gearing (x)	0.01	0.01	0.02
Interest coverage (x)	47.18	40.08	57.80

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of 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	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-Long Term	RBI	Not Applicable	-		-	-	338.75	CARE AA; Stable
Issuer Rating-Issuer Ratings	NA		-	-	-	-	0.00	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	Fund-based/Non-fund-based-Long Term	LT	338.75	CARE AA; Stable	-	1)CARE AA; Stable (27-Nov-25)	1)CARE AA-; Stable (26-Dec-24)	1)CARE A+; Stable (02-Jan-24)
2	Issuer Rating-Issuer Ratings	LT	0.00	CARE AA; Stable	-	1)CARE AA; Stable (27-Nov-25)	1)CARE AA-; Stable (26-Dec-24)	1)CARE A+; Stable (02-Jan-24)
3	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (27-Nov-25)	1)CARE AA-; Stable (26-Dec-24)	1)CARE A+; Stable (02-Jan-24)

LT: Long 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	Infinite Water Solutions Private Limited	Full	There exists business, financial and management linkage with the subsidiaries
2	Forbes Aquatech Limited	Full	
3	Euro Forbes Limited	Full	

In FY26, Forbes Lux FZE, Dubai has been liquidated pursuant to the letter received from the Jebel Ali Free Zone authority dated November 13, 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.

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