July 09, 2025

Godrej Consumer Products Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/ Short-term - Fund-based/ Non-fund Based Facilities	800.00	800.00	[ICRA]AAA (Stable)/ [ICRA]A1+; reaffirmed
Commercial Paper Programme	3,000.00	3,000.00	[ICRA]A1+; reaffirmed
Total	**3,800.00**	**3,800.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings reaffirmation continues to reflect the strong market position of Godrej Consumer Products Limited (GCPL) across both domestic and international FMCG markets, including Asia, Africa, and Latin America. GCPL benefits from a well-diversified product portfolio encompassing key categories such as personal care (including hair care) and home care. ICRA notes that the company has consistently delivered healthy growth across major segments, supported by its broad product range and healthy brand recognition in core markets. Despite the impact of slowdown in urban consumption and restructuring in the African region, GCPL achieved a revenue growth of 1.9% in FY2025, led by strong volume growth in the home care segment (specifically in products such as HIT, Aer, Fab, Goodknight agarbatti, etc.). Going forward, ICRA expects GCPL to capitalise on its established brands and market leadership across various geographies to sustain growth in revenue and profitability.

As per the data shared by the company in its annual report and presentations, GCPL's brands such as Goodknight and Hit in household insecticides (HI), Godrej Expert in the hair colouring, Cinthol and Godrej No. 1 in the personal care segments, enjoy leading positions in the domestic market. Similarly, in international markets, its brands like Darling in the dry hair care segment across Africa, as well as Mitu in the wet wipes, and Stella in the air fresheners section in Indonesia, enjoy established market positions. ICRA draws comfort from the fact that GCPL has a consistent track record of introducing new products to cater to shifting consumer preferences. Going forward, its revenue growth is expected to be driven by stable demand and introduction of successful products from one geography to another geography. The ratings also consider the strong financial flexibility enjoyed by GCPL for being a part of the GILAC[1] Group.

Further, GCPL faces significant competition across its product categories in both domestic and international markets. While the company's presence in diverse geographies — including Asia, Africa, North America, and Latin America supports its product and geographical diversification, it also exposes GCPL to heightened geopolitical, regulatory, and currency related risks. Additionally, profitability remains sensitive to raw material price volatility. This was evident in FY2025, when a sharp increase in input costs particularly those linked to crude oil (used in detergents and packaging) and palm oil (used in personal care) led to a decline in the operating profit margin (OPM) to 20.9% in FY2025 from 21.9% in FY2024. Going forward, with the recent cut in import duty from 20% to 10% on palm oil, ICRA expects the OPM to stabilise, further supported by strategic price hikes.

ICRA notes that GCPL's debt levels remain elevated in FY2025, led by the debt-funded acquisition of Raymond's FMCG business undertaken in FY2024 and relatively higher dividend payout as compared to last few fiscals. However, ICRA expects GCPL to continue to maintain a robust financial risk profile, underpinned by low gearing, adequate liquidity, and healthy cash flow from operations.

[1] GILAC: Godrej Industries Limited and Associate Companies

The Stable outlook on the rating reflects ICRA's expectation that GCPL is likely to sustain its operating metrics even as its revenue growth may moderate. Further, the outlook underscores ICRA's expectation that the entity's incremental capex and dividend payout, if any, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Established position in the domestic and international FMCG markets, supported by strong brands – GCPL has firmly established itself as a leading player in the FMCG sector, both in India and across international markets such as Asia, Africa, and Latin America. This strong market presence is led by a diverse and well-recognised brand portfolio that spans key personal care and home care categories. GCPL's brands enjoy a market leading position in the domestic HI market (Goodknight and Hit) and hair colours (Godrej Expert) and is the second largest player in the domestic air freshener (Aer) and soaps (Godrej No 1, Cinthol) markets. Additionally, in FY2024, it acquired the FMCG business of RCCL, comprising Park Avenue and Kamasutra brands, which enjoy strong brand recall in the domestic deodorant and sexual wellness categories, respectively. Internationally, brands like HIT (HI), Mitu (wet wipes), Darling (ethnic hair care and hair extensions) and Stella (air freshener) enjoy strong market shares in Africa and Indonesia. Further, supported by its portfolio of strong brands, constant innovations and brand repositioning, GCPL maintains a strong competitive position in these key product categories and geographies and enjoys the benefits of pricing power and economies of scale, among others.

Diversified product categories and geographies – GCPL's inorganic expansion over the past decade across Asia, Africa, the US and Latin America has resulted in a diversified revenue profile, with its international operations driving around 38% of its consolidated revenues in FY2025. Such expansion has also helped GCPL in deriving synergies in terms of product cross pollination and a stronger distribution network, besides diversifying its product portfolio and geographical reach. At the consolidated level, GCPL derived 42% of its FY2025 revenues from the home care segment (against 39% in FY2024) and 58% from the personal care segment (against 60% in FY2024), illustrating a diversified segmental presence. ICRA notes that a diversified product profile and geographical presence help GCPL limit the vulnerability of its scale and margins to any adverse development in a particular segment or geography.

Healthy financial profile, coverage metrics remain comfortable despite increase in debt – At the consolidated level, GCPL had total debt of Rs. 4,004 crore (including lease liability of Rs. 121.9 crore) as on March 31, 2025, against Rs. 3,222 crore (including lease liability of Rs. 67.6 crore) as on March 31, 2024. GCPL's Total debt/OPBDITA stood at 1.3 times as of March 31, 2025, which moderated from 1.0 times as of March 31, 2024 due to an increase in short-term debt levels. The increase in short term debt was led by the debt-funded acquisition of Raymond's FMCG business (in April 2023, GCPL acquired Raymond's FMCG business for Rs. 2,725 crore (net) which was funded by short-term debt) and relatively higher dividend payout in FY2025 as compared to last few fiscals. However, the company continues to report healthy cash and liquid investments of Rs. 3,585 crore in FY2025. The interest coverage of 8.6 times in FY2025 against 7.1 times in FY2024 also remains healthy. Going forward, the short-term debt is expected to reduce to a certain extent, supported by internal accruals. Given its strong credit profile, financial flexibility and healthy cash accruals from the operations, GCPL's debt metrics are expected to remain robust, going forward as well.

Credit challenges

Intense competition in the FMCG industry; profitability exposed to fluctuations in input prices – While GCPL enjoys leading market positions in the domestic HI, soaps, and hair colour categories, as well as in the ethnic hair colour and hair extension segments in Sub-Saharan Africa, it faces intense competition from existing players as well as new entrants. Nonetheless, GCPL's strong brand equity in these segments, its innovative product offerings and marketing efforts have helped it successfully counter the competition. GCPL's revenues and OPM remain susceptible to the seasonality risk, especially in the HI segment, as well as to raw material price fluctuation risks in the home and personal care segments where raw materials are crude oil and palm oil derivatives, respectively. This was visible in FY2025 when the consolidated OPM declined to 20.9% from 21.9% in FY2024. With the recent cut in import duty from 20% to 10% on palm oil, ICRA expects OPM to stabilise going forward, further supported by strategic price hikes.

Several acquisitions undertaken in rapid succession in the past indicate risk appetite of the management – GCPL's inorganic growth through acquisitions in rapid succession indicates the risk appetite of the management, subjecting the consolidated entity to enhanced political, regulatory and currency risks. Nonetheless, the geographical and category diversification thus achieved, mitigate these risks to some extent. ICRA will continue to evaluate the impact of further inorganic expansions, if any, on a case-by-case basis.

Exposed to fluctuations in foreign exchange – GCPL is inherently exposed to the currency movement risk owing to its overseas operations, imports and exports. Any adverse movement in the currency rates could impact its profitability. However, it has a formal hedging policy to safeguard its forex exposure, which mitigates the risk to an extent.

Environment and Social Risks

Environmental considerations: GCPL, like other FMCG companies, is exposed to evolving environmental regulations, particularly those concerning waste management and packaging sustainability. As a FMCG company depends on agricultural inputs, GCPL is vulnerable to crop failures, erratic rainfall, and rising temperature that can affect raw material availability and pricing. GCPL is also exposed to climate-related risks, especially due to its presence in regions like India, Indonesia, Latin America, and Sub-Saharan Africa, which are highly vulnerable to extreme weather events. Rising temperature and altered monsoon patterns in India pose threats to water availability and agricultural productivity, both of which are critical to GCPL's supply chain. Similarly, in Indonesia, frequent floods and droughts threaten biodiversity and raw material sourcing.

Social considerations: On the social front, the FMCG sector has prominent dependence on human capital, in terms of direct and indirect employees as well as contractual labour. As the company is in the manufacturing business, maintaining healthy relationships with employees (including retaining talent) and the suppliers are essential for disruption free operations. Accordingly, the company tries to provide a good workplace to its employees and invest in their learning and development.

Liquidity position: Adequate

GCPL's liquidity position is adequate, supported by free cash and bank balances of Rs. 483 crore and liquid investments of Rs. 3,102.7 crore as on March 31, 2025 (on a consolidated basis) and fund-based bank limits of Rs. 143 crore in the domestic market, which have been sparingly utilised. The company also has unsecured overseas fund-based limits of approximately $370 million overseas, of which around 40% has been utilised as of March 31, 2025. All the aforementioned limits are unsecured in nature, and do not require drawing power. With its business expected to chart a stable growth in the medium term, along with stable margins and working capital intensity, GCPL's free cash flows are likely to remain robust. Additionally, as on March 31, 2025, the company did not have long-term debt (excluding lease liability) on its books. ICRA estimates that GCPL's liquidity position would continue to remain adequate in the medium term. However, unusually large dividend outflows and/or significant debt-funded acquisitions may impact GCPL's liquidity position, and will, thus, remain key monitorable.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Downward pressure on the rating could emerge if GCPL's profitability and cash accruals weaken on a sustained basis because of any elevated competitive pressures or adverse demand conditions. The rating could also be downgraded if any large capex or inorganic expansion, or any considerable decline in profitability results in significant weakening in the credit metrics with Total debt/ OPBDITA weakening to above 1.2 times on a sustained basis with material reduction in cash reserves.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology FMCG
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's consolidated financial profile. The company's subsidiaries and step-down subsidiaries are all enlisted in Annexure-II.

About the company

GCPL, a listed entity, is a part of the Godrej Group of Companies, which was formed out of a demerger of the consumer products division of the erstwhile Godrej Soaps Limited in April 2001. Although GCPL was established in its current form in 2001, it has been operating for almost 100 years, as Godrej Soaps, in the personal care segment.

GCPL's standalone business includes household insecticides, toilet soaps, hair colours, toiletries, home and car air fresheners and liquid detergents. The company is a market leader in the household insecticide and hair colour categories, and the second largest player in the air care and soaps category in the domestic market. GCPL's manufacturing plants are located in Assam, Goa, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Meghalaya, Puducherry, Sikkim and Tamil Nadu in India and also in various overseas locations including Indonesia, South Africa, Kenya, Mozambique, Nigeria, Ghana, Argentina and Chile, through its subsidiaries. Over the years, the company extended its capacity in regions where it could avail fiscal benefits offered by the Government, thereby improving its profitability. Over the last decade, GCPL has undertaken several overseas acquisitions to expand its presence in key emerging markets outside India, with focus on Asia, Africa and Latin America. These acquisitions give GCPL access to well-established international brands and the distribution and marketing networks of its subsidiaries. In FY2024, it also acquired the FMCG business of Raymond Consumer Care Limited to strengthen its presence in the deodorant and sexual wellness categories in the domestic market.

Key financial indicators

	FY2024	FY2025*
Operating income	14096.1	14364.3
PAT	-560.6	1852.3
OPBDIT/OI	21.9%	20.9%
PAT/OI	-4.0%	12.9%
Total outside liabilities/Tangible net worth (times)	0.4	0.6
Total debt/OPBDIT (times)	1.0	1.3
Interest coverage (times)	7.1	8.6

*Source: Company, ICRA Research; * Results; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount Rated (Rs Crore)**	**July 09, 2025**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Long term / short term-others-fund based/non fund based	Long Term/Short Term	800.00	[ICRA]AAA (Stable)/ [ICRA]A1+	10-MAY-2024	[ICRA]AAA (Stable)/ [ICRA]A1+	26-APR-2023	[ICRA]AAA (Stable)/ [ICRA]A1+	29-JUN-2022	[ICRA]AAA (Stable)/ [ICRA]A1+
				29-JUL-2024	[ICRA]AAA (Stable)/ [ICRA]A1+	04-MAY-2023	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-
				-	-	07-JUL-2023	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-
Commercial paper	Short Term	3,000.00	[ICRA]A1+	10-MAY-2024	[ICRA]A1+	26-APR-2023	[ICRA]A1+	29-JUN-2022	[ICRA]A1+
				29-JUL-2024	[ICRA]A1+	04-MAY-2023	[ICRA]A1+	-	-
				-	-	07-JUL-2023	[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based / Non-fund Based Facilities	Simple
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	**Long-term / Short-term, Fund-based / Non-fund Based Facilities**	NA	NA	NA	800.0	[ICRA]AAA (Stable)/ [ICRA]A1+
INE102D14AY3	Commercial Paper	21-Apr-2025	6.54%	21-Jul-2025	400	[ICRA]A1+
INE102D14AZ0	Commercial Paper	07-May-2025	6.61%	06-Aug-2025	750	[ICRA]A1+
INE102D14BA1	Commercial Paper	16-May-2025	6.52%	14-Aug-2025	400	[ICRA]A1+
INE102D14BB9	Commercial Paper	23-Jun-2025	5.93%	22-Sep-2025	350	[ICRA]A1+
INE102D14BB9	Commercial Paper	24-Jun-2025	5.93%	22-Sep-2025	250	[ICRA]A1+
INE102D14BC7	Commercial Paper	25-Jun-2025	5.93%	23-Sep-2025	350	[ICRA]A1+
NA*	**Commercial Paper**	NA	NA	NA	500	[ICRA]A1+

*Source: Company; *not yet placed*

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation approach
Godrej Pet Care Limited (Earlier named as "Godrej Consumer Care Limited")	100%	Full Consolidation
Godrej Consumer Supplies Ltd (w.e.f. 15th December, 2023)	100%	Full Consolidation
Godrej Consumer Products Limited Employees' Stock Option Trust	100%	Full Consolidation
Godrej Household Products (Lanka) Pvt. Ltd.	100%	Full Consolidation
Godrej South Africa Proprietary Ltd (merged with Subinite (Pty) Ltd. W.e.f. 3rd June 2024)	0%	Full Consolidation
Godrej Consumer Products Bangladesh Ltd	100%	Full Consolidation
Godrej Household Products (Bangladesh) Pvt. Ltd.	100%	Full Consolidation
Belaza Mozambique LDA	100%	Full Consolidation
Consell SA (up to 9th Oct 2024)	0%	Full Consolidation
Cosmetica Nacional	100%	Full Consolidation
Canon Chemicals Limited	100%	Full Consolidation
Deciral SA	100%	Full Consolidation
Frika Weave (PTY) LTD (merged with Subinite (Pty) Ltd. W.e.f. 3rd June,2024)	0%	Full Consolidation
Godrej Africa Holdings Limited	100%	Full Consolidation
Godrej Consumer Holdings (Netherlands) B.V.	100%	Full Consolidation
Godrej Consumer Investments (Chile) Spa	100%	Full Consolidation
Godrej Consumer Products (Netherlands) B.V.	100%	Full Consolidation
Godrej Consumer Products Dutch Coöperatief U.A.	100%	Full Consolidation
Godrej Consumer Products Holding (Mauritius) Limited	100%	Full Consolidation
Godrej Consumer Products International (FZCO)	100%	Full Consolidation
Godrej Global Mid East FZE	100%	Full Consolidation
Godrej Holdings (Chile) Limitada	100%	Full Consolidation
Godrej Indonesia IP Holding Ltd.	100%	Full Consolidation
Godrej Mauritius Africa Holdings Ltd.	100%	Full Consolidation
Godrej MID East Holdings Limited	100%	Full Consolidation
Godrej Netherlands B.V.	100%	Full Consolidation
Godrej Nigeria Limited (merged with Lorna Nigeria Ltd. w.e.f. 1st Oct, 2024)	0%	Full Consolidation
Godrej Peru SAC (upto 10th May 2024)	0%	Full Consolidation

Company Name	Ownership	Consolidation approach
Godrej SON Holdings INC	100%	Full Consolidation
Godrej Tanzania Holdings Ltd	100%	Full Consolidation
Godrej (UK) Ltd	100%	Full Consolidation
Godrej West Africa Holdings Ltd.	100%	Full Consolidation
Hair Credentials Zambia Limited	100%	Full Consolidation
Hair Trading (offshore) S. A. L	100%	Full Consolidation
Issue Group Brazil Limited	100%	Full Consolidation
Kinky Group (Pty) Limited (merged with Subinite (Pty) Ltd. W.e.f. 3rd June, 2024)	0%	Full Consolidation
Laboratoria Cuenca S. A	100%	Full Consolidation
Godrej Nigeria Limited (Earlier named as "Lorna Nigeria Ltd.")	100%	Full Consolidation
Old Pro International Inc	100%	Full Consolidation
Panamar Producciones S.A. (under voluntary liquidation)	100%	Full Consolidation
PT Godrej Business Service Indonesia	100%	Full Consolidation
PT Indomas Susemi Jaya	100%	Full Consolidation
PT Godrej Distribution Indonesia	100%	Full Consolidation
PT Godrej Consumer Products Indonesia	100%	Full Consolidation
PT Sarico Indah	100%	Full Consolidation
Strength of Nature LLC	100%	Full Consolidation
Style Industries Limited	100%	Full Consolidation
Subinite (Pty) Ltd.	100%	Full Consolidation
Weave Ghana Ltd	100%	Full Consolidation
Weave IP Holdings Mauritius Pvt. Ltd. (merged with Godrej Mauritius Africa Holdings Ltd. W.e.f. 15th June, 2024)	0%	Full Consolidation
Weave Mozambique Limitada	100%	Full Consolidation
Weave Trading Mauritius Pvt. Ltd.	100%	Full Consolidation
Godrej CP Malaysia SDN. BHD	100%	Full Consolidation

Source: Company data, As on March 31, 2025

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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