

March 12, 2026

Dabur India Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-Convertible Debentures	250.00	250.00	[ICRA]AAA (Stable); reaffirmed
Long Term/ Short Term – Fund-based Limits	793.25	854.75	[ICRA]AAA (Stable)/ [ICRA]A1+; reaffirmed
Short Term – Interchangeable Limits	(175.00)	(175.00)	[ICRA]A1+; reaffirmed
Long Term/ Short Term – Unallocated Bank Limits	206.75	145.25	[ICRA]AAA (Stable)/ [ICRA]A1+; reaffirmed
Total	1,250.00	1,250.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation factors in the expectation of a continuation of Dabur India Limited's (Dabur or DIL) healthy operating and financial performance, reflected in sustained volume growth across product categories and robust cash flows. The ratings continue to derive strength from DIL's position as one of the leading companies in the domestic fast-moving consumer goods (FMCG) segment, its well-established brands in the ayurvedic/ herbal category, significant market share for many of its products, strong distribution network and a diversified product portfolio. The ratings remain supported by Dabur's robust balance sheet with negative net debt position and healthy credit metrics.

In 9M FY2026, Dabur reported revenues of Rs. 10,155 crore (4.3% year-over-year (YoY) growth) and an operating profit margin (OPM) of 19.6% (vs. 19.4% in 9M FY2025). Q1 FY2026 consolidated revenue grew by 1.7% as unseasonal rains compressed the summer and sharply impacted the beverages and glucose segments. However, ex-seasonal India growth was a healthy 7%, and the international business delivered 13.7% constant currency growth. In Q2 FY2026, revenues rose by 5.4% but were optically depressed by the Goods and Services Tax (GST) rate cut in September 2025, which triggered heavy destocking and deferred primary sales despite strong traction in Toothpaste, Hair Oils, Honey, Honitus and Health Juices. Q3 FY2026 saw normalisation with consolidated revenue growth of 6.1%, supported by 6% India FMCG growth on 3% volume growth and sustained double-digit momentum in Home and Personal Care, even as Nectars were partly affected by weather. The operating margin trajectory remained stable, with improvements through the period. where in Q1 FY2026, inflation (~7%) was offset by calibrated price hikes and savings (with optical gross margin dilution from higher scheme netting in competitive categories). In Q2 FY2026 margins held despite GST-related trade support, and Q3 FY2026 margins strengthened on the back of easing input costs (coconut oil, SLES/SLS, vegetable oils), a favourable mix/premiumisation and operating discipline. The company's strategy to focus on strengthening its power brands, innovation and new product launches, as well as expansion and optimisation of its distribution infrastructure (including rural Lower Unit Pack (LUP)-led activation and Go-To-Market consolidation), is expected to support its earnings growth over the medium term.

DIL is continuously seeking synergistic acquisitions in both domestic and international markets in an endeavour to increase its market share and brand portfolio. In this regard, in FY2026 the company announced Dabur Ventures, an allocation of Rs. 500 crore to invest in digital-first, premium, wellness-oriented brands aligned to its core categories, with flexibility to take minority or majority stakes and a focus on premiumisation and modern formats. Concurrently, Dabur is expanding capacity via its Rs. 400-crore greenfield, multi-category facility at Tindivanam (Tamil Nadu) to strengthen supply resilience and proximity to the South market. Rs. 478 crore was invested in FY2025 towards maintenance/upgradation and new lines at existing plants. ICRA expects the management to continue adopting a disciplined approach, while evaluating further inorganic growth opportunities.

Dabur remains exposed to intense competition in the FMCG sector and the risk of growth slowdown due to a challenging macroeconomic environment. The domestic FMCG business continues to witness competition with multiple established players, including some large multinational players as well as domestic companies.

ICRA notes that there is an ongoing case in the US against the company's subsidiary, Namaste Laboratories LLP, pertaining to allegations that several brands of hair relaxers cause ovarian cancer, uterine cancer and other related health issues in the US. The management has noted that, as of February 2026, depositions of the plaintiffs have largely been completed and cross-examination is underway, with closure expected by March 2027. DIL has indicated that it has availed insurance cover for any adverse outcome/settlement and that legal expenses are being reimbursed by the insurer. The progress on the litigation and any adverse impact on the credit profile of Dabur remains monitorable.

The Stable outlook on the long-term rating reflects ICRA's view that the company's cash flows from operations will remain steady, aided by its well-established brand in the ayurvedic/herbal category, diverse product portfolio and strong distribution network, which along with its healthy balance sheet will help it maintain robust credit metrics.

Key rating drivers and their description

Credit strengths

Healthy operating and financial performance – Dabur's operational and financial performance has remained healthy despite the challenging operating environment ushered by high inflation, intense competition and volatile geopolitical environment in the last few years. In 9M FY2026, it reported a revenue growth of 4.3% YoY (revenues of Rs. 10,155 crore) and an OPM of 19.6% (19.4% in 9M FY2025). The company's growth over the last few years has been supported by the increased focus on power brands, launch of new products and gain of market share in existing products. Its OPM is expected to remain steady at 19–20% over the medium term, despite being exposed to volatility in input commodity prices and demand. Dabur's reputed brand image, diversified product portfolio and strong distribution network have helped it maintain its market leadership position in many of its product segments.

Ownership of strong brands helped establish a well-entrenched market position in domestic FMCG space – Dabur has multiple brands with a well-established image, such as Dabur Vatika, Real, Hajmola, Pudín Hara, Honitus, Lal Tail, Dabur Red, Dabur Amla, Dabur Chyawanprash and Dabur Honey, among others. The brands have a strong reputation, particularly in the ayurvedic and herbal segment, which augured well for the company during the pandemic as consumer demand for ayurvedic and herbal immunity boosting products spiked. These strengths have also helped it in maintaining its market position despite competition from large international and domestic players.

Strong financial position, characterised by negative net debt and superior liquidity position – Dabur is a net debt-negative entity, with net gearing that has remained negative since FY2013. As on September 30, 2025, the company had net cash (adjusted for debt) of Rs. 6,933 crore (Rs. 7,083 crore as on March 31, 2025). With annual accruals of Rs. 1,200-1,400 crore following the dividend payout, its cash flows and liquidity position are expected to remain robust. Aided by strong cash flow generation, Dabur's dependence on external debt is anticipated to continue to be low; and, accordingly, it is likely to maintain low leverage over the medium term as well.

Credit challenges

Intense competition in the industry – The domestic FMCG business continues to witness intense competition from multiple established players, including large multinational players as well as domestic companies. There have been increased activities in the ayurvedic and herbal segment in the last few years by FMCG companies. With the growth in marketing and promotion, consumer awareness of natural and herbal products has improved, leading to expansion of the market segment. Nevertheless,

Dabur, as a well-recognised player with an established market position across product categories, remains exposed to risks of heightened competition.

Environment and social risks

Environmental considerations – FMCG companies remain exposed to the impact of changes in environmental norms with respect to the treatment of manufacturing residual discharge/waste. Accordingly, Dabur could face operational disruptions if regulatory norms are not complied with. Further, with increasing awareness and restrictions on usage of different grades of plastics for packaging and finding environment-friendly solutions, the company’s cost structure may be impacted. Even as there is an increasing focus on carbon neutrality, the likelihood of sudden impactful developments on this front for the FMCG industry remains low. There is also a trend towards using organically grown input materials. Such developments can potentially increase costs for FMCG companies like Dabur. Since the company has a healthy dependence on Agri-commodities, it remains exposed to agro-climatic risks, which could result in variations in crop output/prices. Overall, entities in the FMCG industry have a low exposure to environmental risks, buttressed further by their better pricing power, as reflected in their ability to pass along the increase in costs over time.

Social considerations – On the social dimension, the FMCG sector has a prominent dependence on human capital, in terms of direct and indirect employees as well as contractual labour. As the company operates with an interplay of manufacturing and service business, maintaining healthy employee relations and retaining talent by an issuer as well as the supplier ecosystem is essential for disruption-free operations. Also, there could be quality concerns that FMCG entities like Dabur could face in certain product categories, which could adversely impact its brand, or risks that an entire product category could face from the social considerations that pertain to health consciousness (aerated drinks) or equity (fairness creams). While these risks are product category-specific, the overall exposure of the FMCG sector to social risks remains low to moderate.

Liquidity position: Superior

The company has a superior liquidity position, characterised by healthy liquid investments, limited debt on the books and expectation of strong cash accruals post regular capital expenditure (capex) and dividend outgo. Dabur had unencumbered cash and investments of Rs. 8,235 crore (as of September 30, 2025). In addition, the company has unutilised bank limits and the flexibility to raise debt from the market in case of any requirements.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – The ratings could be downgraded if any large capex or acquisition results in considerable and sustainable weakening in its credit metrics and profitability indicators, or if there is any major deterioration in the market position of its key products, impacting its accruals for a prolonged period.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology FMCG
Parent/group Support	Not Applicable
Consolidation/standalone	The rating is based on consolidated financial statements of the issuer. The details of the company’s subsidiaries/joint ventures can be found in Annexure II.

About the company

Established in 1884 by Dr. S.K. Burman, DIL is among the top four FMCG companies in India. It has business interests in

healthcare, personal care and food products. Over the years, DIL has focussed on manufacturing and selling ayurvedic products targeted at the mass consumer segment. A number of personal care products, ayurvedic tonics and oral care products that DIL has launched over the years are leading brands in their respective segments. DIL offers products in over 100 countries across the globe, covering health and personal care segments across the herbal and natural space. Dabur India's FMCG portfolio includes eight power brands, namely Dabur Amla, Dabur Red Paste Dabur Chyawanprash, Dabur Honey, Dabur Honitus, Dabur Pudina Hara, Dabur Lal Tail and Dabur Real.

Key financial indicators (audited)

Dabur India Limited (consolidated)	FY2024	FY2025	9M FY2026*
Operating income (OI)	12,404.0	12,563.1	10,154.6
PAT	1,811.8	1,739.9	1,507.5
OPBDIT/OI	19.4%	18.4%	19.6%
PAT/OI	14.6%	13.8%	14.8%
Total outside liabilities/Tangible net worth (times)	0.5	0.4	-
Total debt/OPBDIT (times)	0.6	0.4	-
Interest coverage (times)	19.3	14.2	-

Source: Company, ICRA Research; *Limited 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: Not applicable

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Mar 12, 2026	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Others	Long-term/ Short-term	854.75	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 20, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 22, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 28, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+
Interchangeable limits	Short-term	(175.00)	[ICRA]A1+	Mar 20, 2025	[ICRA]A1+	Mar 22, 2024	[ICRA]A1+	Mar 28, 2023	[ICRA]A1+
Non-Convertible Debenture (INE016A08021)	Long-term	250.00	[ICRA]AAA(Stable)	Mar 20, 2025	[ICRA]AAA (Stable)	Mar 22, 2024	[ICRA]AAA (Stable)	Mar 28, 2023	[ICRA]AAA (Stable)
								Mar 24, 2023	[ICRA]AAA (Stable)
Non-convertible Debenture (INE016A08013)	Long-term	-	-	Mar 20, 2025	ICRA]AAA (Stable); Reaffirmed and Withdrawn	Mar 22, 2024	[ICRA]AAA (Stable)	Mar 28, 2023	[ICRA]AAA (Stable)
								Mar 24, 2023	[ICRA]AAA (Stable)
								Sep 27, 2022	[ICRA]AAA (Stable)
Unallocated limits	Long-term/ Short-term	145.25	[ICRA]AAA(Stable) / [ICRA]A1+	Mar 20, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 22, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 28, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+
								Mar 24, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+
Non-Fund Based Facilities	Short term	-	-	-	-	-	-	Mar 28, 2023	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Interchangeable limits	Simple
Long-term/Short-term – Fund-based – Others	Simple
Non-Convertible Debenture	Simple
Unallocated limits	NA

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
INE016A08021	Non-Convertible Debenture	27-Apr-2023	7.35%	18-Mar-2027	250.00	[ICRA]AAA (Stable)
NA	Fund-based Limits	NA	NA	NA	854.75	[ICRA]AAA (Stable)/ [ICRA]A1+
NA	Interchangeable Limits	NA	NA	NA	(175.00)	[ICRA]A1+
NA	Unallocated Bank Limits	NA	NA	NA	145.25	[ICRA]AAA (Stable)/ [ICRA]A1+

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Dabur Ownership	Consolidation Approach
Dabur India Limited	100% (Rated entity)	Full Consolidation
Dabur International Ltd	100%	Full Consolidation
Dabur Nepal Pvt Ltd	97.5%	Full Consolidation
Naturelle LLC	100%	Full Consolidation
Namaste Laboratories LLC	100%	Full Consolidation
Dabur Egypt Ltd	100%	Full Consolidation
Hobi Kozmetik	100%	Full Consolidation
RA Pazarlama	100%	Full Consolidation
H & B Stores Ltd	100%	Full Consolidation
Dabur Bangladesh Pvt. Ltd. (erstwhile Asian Consumer Care Pvt Ltd) [@]	76%**	Full Consolidation
Dabur Lanka Pvt. Ltd	100%	Full Consolidation
African Consumer Care Ltd	100%	Full Consolidation

Company Name	Dabur Ownership	Consolidation Approach
Asian Consumer care Pakistan Pvt. Ltd**	0%	Full Consolidation
Urban Laboratories International LLC	100%	Full Consolidation
Dabur UK Ltd	100%	Full Consolidation
Dabur Pakistan Pvt. Ltd**	0%	Full Consolidation
Hair Rejuvenation & Revitalization Nigeria Ltd	100%	Full Consolidation
Dabur South Africa (PTY) Ltd.	100%	Full Consolidation
Dermovia Skin Essentials INC	100%	Full Consolidation
Dabur PARS	100%	Full Consolidation
Dabur Consumer Care Pvt. Ltd	100%	Full Consolidation
Dabur Tunisie*	100%	Full Consolidation
Healing Hair Laboratories International LLC	100%	Full Consolidation
D and A Cosmetics Proprietary Limited	100%	Full Consolidation
Atlanta Body and Health Products Proprietary Limited	100%	Full Consolidation
Excel Investments FZC**	0%	Full Consolidation
Forum 1 Aviation Private Limited (Joint Venture)	20%	Equity Method
Badshah Masala Private Limited	51%	Full Consolidation

Source: Dabur Annual Report FY2025

Note: * The liquidation of Dabur Tunisie, is under process. ** Subsidiary through control by management@ Dabur Bangladesh became a 100% step-down subsidiary of Dabur India Limited after acquiring shares from its local JV partner, Advanced Chemical Industries

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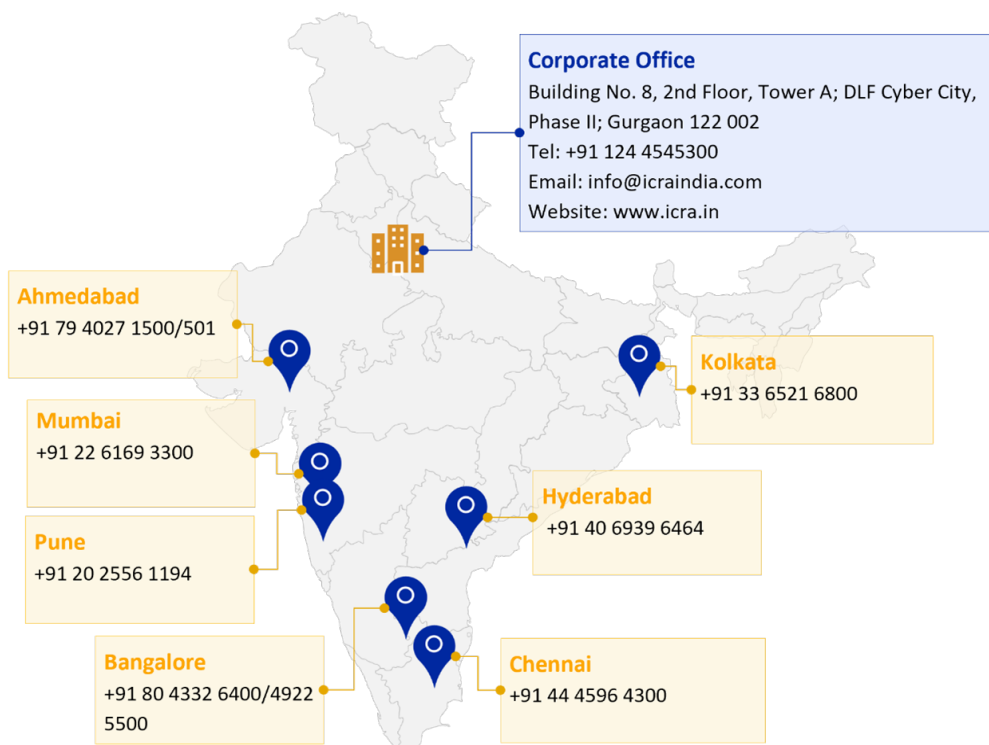


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