July 20, 2026

Godrej Consumer Products Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term/ Short-term – Fund-based/ Non-fund based facilities	800.00	800.00	[ICRA]AAA (Stable)/[ICRA]A1+; reaffirmed	RBI
Commercial paper programme	3,000.00	3,000.00	[ICRA]A1+; reaffirmed	RBI
Total	**3,800.00**	**3,800.00**		

**Instrument details are provided in Annexure-I*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings reaffirmation continues to reflect the strong market position of Godrej Consumer Products Limited (GCPL) across domestic and international fast-moving consumer goods (FMCG) markets, supported by its established brands, and its expansive presence across India, Indonesia, Africa, the Middle East, USA and Latin America. GCPL also benefits from a well-diversified product portfolio encompassing key categories such as personal care (including hair care) and home care (including air fresheners). ICRA notes that the company has consistently delivered healthy growth across major segments, supported by its varied product range and healthy brand recognition in core markets. In FY2026, GCPL reported consolidated revenue growth of 5.7%, supported by volume growth in the India business, strong performance in GAUM (Godrej Africa United States and Middle East) and Latin America, although its performance in Indonesia remained weak because of macroeconomic headwinds and competitive pricing pressures. Strong volume growth in the home care segment (specifically in products such as HIT, Aer, Fab, Goodknight Agarbatti, etc.) supported GCPL's growth in FY2026. Going forward, ICRA expects the company to capitalise on its established brands and market leadership across various geographies to sustain its revenue growth.

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 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 segment 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 as 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 varied geographies, including Asia, Africa, North America and Latin America, supports product and geographical diversification, it also exposes it to heightened geopolitical, regulatory and currency-related risks. Additionally, profitability remains sensitive to raw material price volatility. The company's consolidated operating margin moderated marginally to 20.8% in FY2026 from 21.0% in FY2025, primarily because of elevated raw material prices, especially palm oil

[1] GILAC Group – Godrej Industries Limited and Associate Companies

and crude-linked input costs. In the current fiscal, raw material prices remain high owning to the West Asia war, however, the impact of the same is expected to be mitigated through calibrated pricing actions, moderation in advertising spends and improvement in operating efficiencies. GCPL hiked prices by 5-7% across personal care and home care categories in April 2026 in light of the rising raw material prices. Going forward, while ICRA expects the company's operating profit margin (OPM) to stay largely stable, it will remain vulnerable to volatility in crude oil, palm oil derivatives, packaging costs, currency movements and competitive intensity.

ICRA notes that GCPL's debt levels remain elevated in FY2026, led by the refinancing of short-term borrowings undertaken during the acquisition of Raymond's FMCG business and continued sizeable dividend payout. ICRA notes that the company's dividend payout has consistently been high at Rs. 2,046 crore in FY2026, Rs. 2,557 crore in FY2025 and accordingly, the TD/OPBITDA has continued to be heightened at 1.4 times as on March 31, 2026, 1.3 times as on March 31, 2025. Going forward, ICRA expects GCPL to maintain a robust financial risk profile, underpinned by low gearing, adequate liquidity and healthy cash flow from operations.

The Stable outlook on the rating reflects ICRA's anticipation that GCPL is likely to sustain its operating metrics supported by its strong market position. Further, the outlook underscores ICRA's expectation that the entity's incremental capital expenditure (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 enjoys a market leading position in the domestic HI segment (through brands such as Goodknight and Hit) and hair colours (Godrej Expert) segment and is the second largest player in the domestic air freshener (Aer) and soaps (Godrej No 1, Cinthol) segments. 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. GCPL's latest acquisition of Muuchstac, an online men's facewash brand also enjoys healthy market share in the men's facewash category in the online segment. 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. Supported by its portfolio of established brands, constant innovations and brand repositioning, GCPL maintains a robust 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 across various 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 contributing to around 36% of its consolidated revenues in FY2026. Such expansion has also helped the company in deriving synergies in terms of product cross pollination and a stronger distribution network, besides expanding its product portfolio and geographical reach. At the consolidated level, GCPL derived 42% of its FY2026 revenues from the home care segment (against 42% in FY2025) and 58% from the personal care segment (against 58% in FY2025), illustrating a diversified segmental presence. ICRA notes that a varied product profile and geographical presence help the company 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 – GCPL continues to maintain a healthy financial profile, supported by its strong operating profitability, steady cash flow generation, sizeable liquid investments and significant financial flexibility as part of the Godrej Group. The company reported a healthy operating margin of 20.8% in FY2026, compared to 21.0% in FY2025, despite raw material cost pressures and continued investments in brands and new categories. The cash flow from operations also remained healthy at Rs. 2,286 crore in FY2026 (Rs. 2,406 crore in FY2025), supported by its low working capital intensity and strong market position across key categories. At the consolidated level, GCPL had a total debt of Rs. 4,416 crore (including lease liability of Rs. 279.8 crore) as on March 31, 2026, as against Rs. 4,004 crore (including lease liability of Rs. 121.9 crore) as on March 31, 2025. The increase in debt was caused by the refinancing of the short-term borrowings undertaken to fund the acquisition of Raymond's FMCG business (in April 2023, GCPL acquired Raymond's FMCG business for Rs. 2,725 crore (net)) and continued sizeable dividend payout in FY2026. Despite the same, the company's Total debt/OPBDITA was healthy at 1.4 times as on March 31, 2026. Further, it continued to report robust levels of cash and liquid investments which stood at Rs. 2,857.8 crore as on March 31, 2026. The interest coverage of 9.5 times in FY2026 against 8.4 times in FY2025 also remains healthy. Going forward, the short-term debt is expected to stay elevated to fund deferred consideration payment of Muuchstac (Rs. 130-150 crore in FY2027) along with GCPL's capex requirements. Nevertheless, supported by its healthy profitability, adequate liquidity and strong financial flexibility, the company's debt metrics are likely to remain comfortable over the medium term.

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 across markets. Nonetheless, the company'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.

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 mitigates 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 foreign exchange 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. Further, as an FMCG company dependent on agricultural inputs, it is vulnerable to crop failures, erratic rainfall and rising temperatures 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 temperatures and altered monsoon patterns in India, for instance, pose a threat to water availability and agricultural productivity, both critical to the company's supply chain. Similarly, in Indonesia, frequent floods and droughts threaten biodiversity and raw material sourcing.

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. Being in the manufacturing business, maintaining healthy employee relations and retaining talent by an issuer as well as the supplier ecosystem is essential for disruption-free operations. Accordingly, the company tries to provide a thriving workplace to its employees and invest in their learning and development. The overall exposure of the FMCG sector to social risks remains low to moderate.

Liquidity position: Adequate

GCPL's liquidity position is Adequate, supported by cash and bank balances of Rs. 1,005.4 crore and liquid investments of Rs. 1,852.4 crore (on a consolidated basis) and buffer of Rs. 114 crore in the form of undrawn fund-based bank limits in the domestic market as on March 31, 2026. The company's fund-based limits are unsecured in nature and do not require drawing power. With its business expected to chart a stable growth trajectory in the medium term, along with its stable margins and working capital intensity, GCPL's free cash flows are likely to remain robust. Additionally, as on March 31, 2026, the company doesn't have long-term debt (excluding lease liability) on its books. ICRA estimates that GCPL's liquidity position would remain adequate in the medium term. However, unusually large dividend outflows and/or significant debt-funded acquisitions may impact its liquidity position, and will, thus, continue to be key monitorables.

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. Its 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 the company 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 a focus on Asia, Africa and Latin America. These acquisitions give the company access to well-established international brands and the distribution and marketing networks of its subsidiaries. GCPL acquired the FMCG business of Raymond Consumer Care Limited in FY2024 to strengthen its presence in the deodorant and sexual wellness categories in the domestic market. In FY2026, it also acquired the men's facewash brand Muuchstac to strengthen its presence in the men's grooming category in the domestic market

Key financial indicators

GCPL (consolidated)	FY2025	FY2026*
Operating income (OI)	14,364.3	15,177.8
PAT	1,852.3	1,861.4
OPBDIT/OI	21.0%	20.8%
PAT/OI	12.9%	12.3%
Total outside liabilities/Tangible net worth (times)	0.6	0.7
Total debt/OPBDIT (times)	1.3	1.4
Interest coverage (times)	8.4	9.5

*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; FY2025 numbers are as per GCPL's FY2025 annual report while FY2026 numbers are as per GCPL's FY2026 results.*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	July 20, 2026	Date	Rating	Date	Rating	Date	Rating
Long term / Short term - Fund-based/Non-fund based	Long term/Short term	800.00	[ICRA]AAA (Stable)/ [ICRA]A1+	Jul 09, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	10-May-2024	[ICRA]AAA (Stable)/ [ICRA]A1+	26-Apr-2023	[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+	Jul 09, 2025	[ICRA]A1+	10-May-2024	[ICRA]A1+	26-Apr-2023	[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	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	Financial Sector Regulator#
NA	Long-term / Short-term – Fund-based / Non-fund based facilities	NA	NA	NA	800.0	[ICRA]AAA (Stable)/ [ICRA]A1+	RBI
INE102D14CB7	Commercial paper	08-May-2026	6.70%	07-Aug-2026	700.00	[ICRA]A1+	RBI
INE102D14CC5	Commercial paper	22-May-2026	7.03%	21-Jul-2026	100.00	[ICRA]A1+	RBI
INE102D14CD3	Commercial paper	12-Jun-2026	6.96%	11-Sep-2026	100.00	[ICRA]A1+	RBI
INE102D14CD3	Commercial paper	15-Jun-2026	7.12%	11-Sep-2026	550.00	[ICRA]A1+	RBI
INE102D14CE1	Commercial paper	18-Jun-2026	6.82%	16-Sep-2026	400.00	[ICRA]A1+	RBI
INE102D14CF8	Commercial paper	22-Jun-2026	6.60%	18-Sep-2026	400.00	[ICRA]A1+	RBI
INE102D14CG6	Commercial paper	06-Jul-2026	6.30%	05-Oct-2026	600.00	[ICRA]A1+	RBI
Yet to be placed	Commercial paper	-	-	-	150.00	[ICRA]A1+	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Godrej Pet Care Limited	100%	Full consolidation
Godrej Consumer Supplies Ltd	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 S.A.	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

Company name	Ownership	Consolidation approach
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
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 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. (closed w.e.f. Aug 1, 2025)	0%	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: GCPL Annual report FY2026, Ownership as on March 31, 2026

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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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