September 04, 2026

JSW Dulux Limited: [ICRA]AA- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Cash credit	250.00	[ICRA]AA- (Stable); assigned	RBI
Total	**250.00**		

**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 assigned rating factors in JSW Dulux Limited's (JDL) established market position in the Indian decorative and industrial paints industry, supported by strong brand equity, an extensive distribution network and a healthy financial risk profile, characterised by robust profitability metrics and a net cash position. In December 2025, JSW Paints Limited (JPL) acquired ~61% stake in Akzo Nobel India Limited and subsequently renamed the company as JSW Dulux Limited (JDL). Following the acquisition, JDL became a part of the JSW Group, significantly enhancing its financial flexibility. This association is expected to yield various business and operational synergies to the Group in the form of expansion in scale and dealer network, brand and geographical synergies, along with an improvement in product portfolio.

JDL benefits from its long operational track record in the Indian paints industry and a pan-India dealer network of over 22,000 dealers. The company's flagship brand 'Dulux' has strong presence in the premium decorative paints segment in India. JDL reported flattish revenue growth[1] at Rs. 3,584 crore in FY2026 and is expected to increase in FY2027, aided by a wider distribution reach and the gradual realisation of synergy benefits across manufacturing, logistics and marketing operations. JDL is projected to register healthy operating margins of 14-16% in FY2027e (13.8% in FY2026). The financial profile remains robust with no external debt as on March 31, 2026. The debt protection metrics are estimated to remain strong with limited reliance on debt.

The credit profile, however, remains exposed to the intense competition from the organised and unorganised players, especially in the decorative paints segment, which constrains pricing flexibility. The operating profitability remains susceptible to the volatility in raw material prices, given the raw material intensive nature of the paint manufacturing business.

The Stable outlook on the rating reflects ICRA's expectation that JDL will benefit from the established Dulux brand and the synergies realised post-acquisition, while maintaining strong debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy financial risk profile – JDL reported flattish revenue growth at Rs. 3,584 crore in FY2026 and is expected to increase in FY2027, aided by a wider distribution reach and the gradual realisation of synergy benefits across manufacturing, logistics and marketing operations. JDL is projected to register healthy operating margins of 14-16% in FY2027e (13.8% in FY2026). The

[1] excluding carved-out/Akzo Nobel retained business

financial profile remains robust with no external debt as on March 31, 2026. The debt protection metrics are estimated to remain strong with limited reliance on debt.

Established market position and strong brand presence in the decorative and industrial paints segment – JDL has a strong operational track record in the Indian paints industry and a pan-India dealer network of over 22,000 dealers supporting its operations. The company's flagship brand 'Dulux' has strong presence in the premium decorative paints segment in India.

Strong financial flexibility from being part of JSW Group – In December 2025, JPL acquired ~61% stake in Akzo Nobel India Limited. This would result in various business and operational synergies in the form of expansion in scale and dealer network, brand and geographical synergies, along with enhancement in product portfolio. Mr. Parth Jindal, son of Mr. Sajjan Jindal, is now the Chairman of JDL. The rating factors in the exceptional flexibility derived by the company from being a part of the JSW Group.

Credit challenges

Exposure to volatility in raw material prices – The operating profitability remains exposed to volatility in raw material prices, given the raw material intensive nature of the paint manufacturing business. While there has been an increase in raw material prices on account of the USA-Iran war, the company has taken price hikes in Q1 FY2027, which partly mitigates the impact.

Intense competition – JDL faces intense competition from the organised and unorganised players, especially in the decorative paints segment, which constrains the pricing flexibility. The domestic paints industry is characterised by the presence of large players like Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited, Grasim Industries Limited (Birla Opus Paints), among others and unorganised players having regional presence.

Liquidity position: Strong

The company's liquidity position is strong. It has unencumbered cash and bank balances of Rs. 324.0 crore as on March 31, 2026. Further, it has cushion in the form of unutilised working capital limits. The working capital limit utilisation was nil (sanction limits of Rs. 109 crore) during the 12-month period ended in May 2026, providing adequate liquidity buffer. Further, there are no scheduled debt repayments in FY2027.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings in case of a significant improvement in revenues and earnings and limited reliance on debt resulting in sustenance of strong debt protection metrics and liquidity position on a sustained basis.

Negative factors – Downward pressure on the rating could emerge in case of sustained decline in revenues or profitability or any large debt funded capex/acquisition resulting in weakening of the debt protection metrics and liquidity on a sustained basis. Further, any material deterioration in parents' credit profile adversely impacting the company's liquidity position will also remain a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of JDL. While assessing JDL, ICRA has factored in various subsidiaries and associate which are all listed in Annexure II.

About the company

JSW Dulux Limited (formerly Akzo Nobel India Limited), was earlier a subsidiary of Dutch multinational Akzo Nobel. In December 2025, JPL acquired ~61% stake in JDL. Its brands include – Dulux, International, Sikkens and Interpon. JDL is present in two segments namely industrial paints and decorative paints. The capacity of the company is 305 Million Litres Per Annum (MLPA). The company operates five manufacturing plants at Hyderabad (Balanagar), Bengaluru (Hoskote Industrial Area), Madhya Pradesh (Bhind), Punjab (Mohali) and Maharashtra (Koparkhairne, Navi Mumbai).

Key financial indicators (audited)

Consolidated	FY2025	FY2026[1]
Operating income	4,049.4	3,583.9
PAT	429.5	1,973.8
OPBDIT/OI	15.4%	13.8%
PAT/OI	10.6%	55.1%
Total outside liabilities/Tangible net worth (times)	1.2	0.5
Total debt/OPBDIT (times)	0.1	0.2
Interest coverage (times)	63.5	41.0

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

[1] Post carve-out of Akzo Nobel retained business

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					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Sep 04, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based – Cash credit	Long term	250.00	**[ICRA]AA- (Stable)**	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	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	**Fund-based – Cash credit**	NA	NA	NA	250.00	[ICRA]AA- (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Subsidiaries		
ICI India Research & Technology Centre Private Limited	99.99%	Full consolidation

Source: Company, ICRA Research

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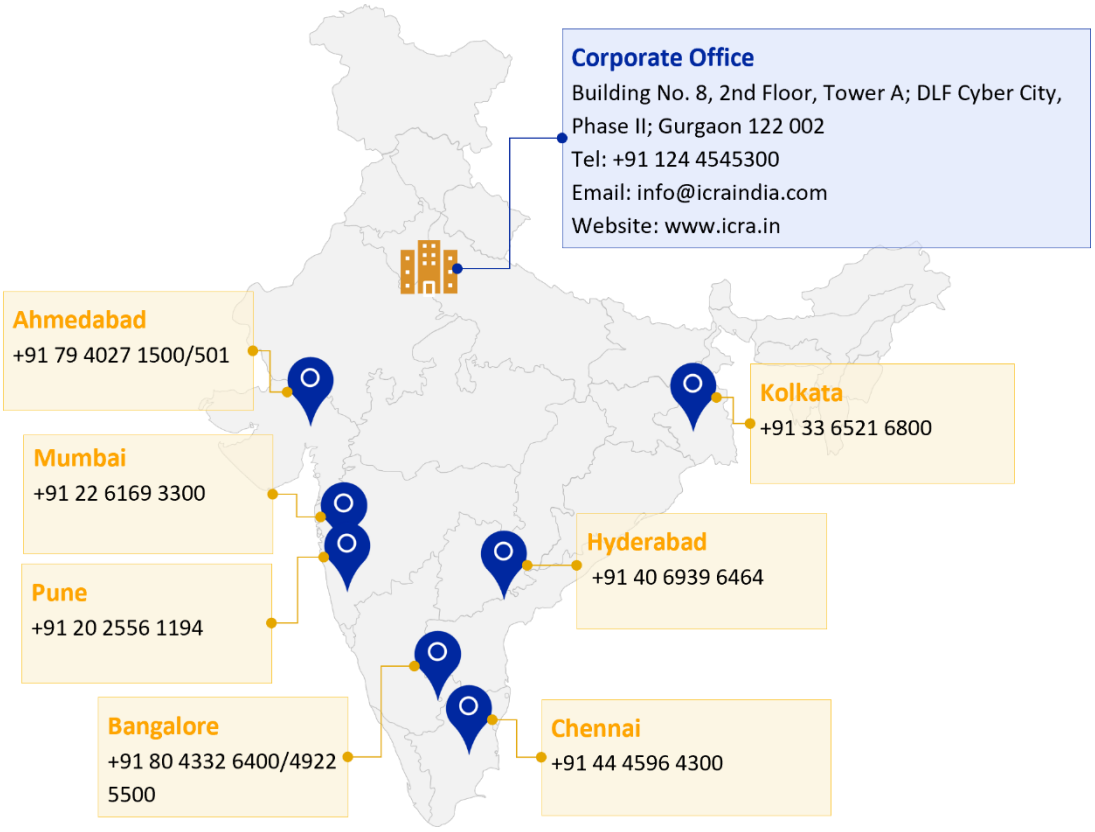

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