Jyoti Resins & Adhesives Ltd.	
No. of shares (m)	12
Mkt cap (Rs crs/$m)	1044/110.5
Current price (Rs/$)	870/9.2
Price target (Rs/$)	1226/13.0
52 W H/L (Rs.)	1315/700
Book Value (Rs/$)	241/2.6
Beta	1.0
Daily volume BSE (avg. monthly)	14412
P/BV (FY27e/28e)	3.1/2.4
EV/EBITDA (FY27e/28e)	8.6/6.6
P/E (FY27e/28e)	14.0/10.6
EPS growth (FY26/27e/28e)	-5.3/6.9/31.2
OPM (FY26/27e/28e)	27.0/24.0/27.0
ROE (FY26/27e/28e)	28.2/24.1/25.4
ROCE (FY26/27e/28e)	28.2/24.2/25.5
D/E ratio (FY26/27e/28e)	0.0/0.0/0.0
BSE Code	514448
NSE Code	JYOTIRES
Bloomberg	JRA IN
Reuters	JYRA.IN

Shareholding pattern	%
Promoters	54.4
MFs / Banks / FIs/Others	0.1
FPIs	0.1
Govt. Holding	0.0
Public & Others	45.5
Total	**100.0**

As on June 30, 2026

Recommendation
BUY
Phone: + 91 (33) 4488 0011
E- mail: research@cdresearch.in

Quarterly Highlights

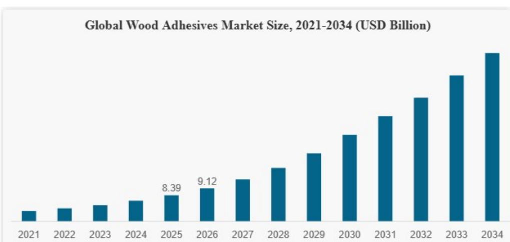
- Despite a challenging operating environment, Jyoti Resins reported revenue growth of 16.8% to Rs 87.71 crs in Q1FY27. Operating profit however, came under pressure as sharp escalation in raw material prices pulled margins down to 14.4% in Q1FY27 as compared to 27.5% a year ago. Operating profit stood at Rs 12.66 crs in Q1FY27 as against Rs 20.64 crs in Q1FY26. Price hikes undertaken during May and June coupled with softening raw material prices, could aid margin recovery going forward.
- Structural demand drivers for the wood adhesives industry remain favourable, supported by housing demand, furniture manufacturing, interior renovation and the gradual shift from unorganised to branded products. Jyoti Resins continues to deepen its presence in this consumption-led category, where carpenter preference and repeat usage play a key role in brand adoption and demand stickiness.
- Capacity expansion should provide adequate headroom for growth. The brownfield expansion from 2000 tpm to 3500 tpm is nearing completion by Q2, taking the revenue potential of the company to Rs 600-650 crs. Beyond this, the proposed greenfield facility envisages an initial 1,500 TPM capacity which is expandable upto 5000 tpm. Scaling of business through wider geographic reach holds key for optimal utilization of its installed capacities.
- The stock currently trades at 14.0x FY27e EPS of Rs 62.33 and 10.6x FY28e EPS of Rs 81.76. With incremental capacity coming on stream, a widening geographic footprint (WB and Jharkhand) and continued investment in carpenter engagement and brand-building, we believe Jyoti Resins remains well placed to strengthen its position in the white-glue market. Near-term earnings, however, remain sensitive to raw-material volatility, while rising competitive intensity remains a key monitorable. If firm crude oil prices sustain and finished product price increases become both uncertain and insufficient, then it could derail its inventory planning and thus impact margins. In this case, its business size will disfavor scaling. Yet the current valuation merits scrutiny. Balancing odds, we retain 'buy' rating on the stock with a target of Rs 1226 based on 15x FY28e earnings, over a period of 9-12 months.

Rs crs	FY24	FY25	FY26	FY27e	FY28e
Income from operations	257.30	284.12	314.74	370.45	432.43
Other Income	6.82	10.97	11.58	13.50	17.10
EBITDA (other income included)	90.76	100.45	96.55	102.50	133.85
PAT after EO (adjusted)	67.04	73.88	69.98	74.79	98.11
EPS (Rs)	55.87	61.57	58.32	62.33	81.76
EPS growth (%)	44.4	10.2	-5.3	6.9	31.2

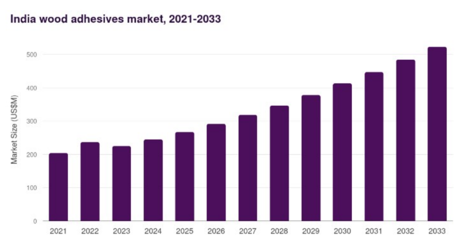
Industry Outlook

Wood Adhesives Industry

According to a report by Fortune Business Insights, the global wood adhesives market is estimated to increase from $ 9.12 billion in 2026 to $ 17.79 billion by 2034, growing at a CAGR of 8.7% during the forecast period. Asia-Pacific dominated the industry, supported by rapid urbanisation, large-scale furniture manufacturing, infrastructure development and high production of wood-based panels. The furniture segment accounted for nearly 46% of the global market, indicating that demand for residential, office and commercial furniture remains the largest driver for wood adhesive manufacturers. The industry's growth is closely linked to rising consumption of engineered wood products such as plywood, particle board, medium-density fibreboard and laminated wood. These products require adhesives to provide structural integrity, durability and dimensional stability and are being increasingly used in furniture, cabinetry, flooring, doors and interior fit-outs. Rising adoption of modular and prefabricated construction is also expanding the market base for specialised adhesives that offer moisture resistance, faster curing and reliable bonding across different substrates. Automation in furniture manufacturing is further creating demand for formulations that can operate consistently on high-speed and robotic application systems.



Source: Fortune Business Insights



Source: Grand View Research

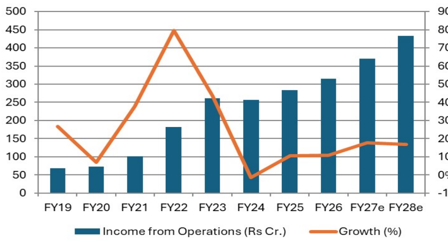
According to Grand View Research, the Indian wood adhesives market estimated at $ 291.5 million in 2026 and is projected to reach $ 522.9 million by 2033, growing at a CAGR of 8.7% during 2026-2033. Domestic demand is being supported by growth in residential and commercial construction, rapid urbanisation and government housing initiatives such as Pradhan Mantri Awas Yojana. Expansion in housing, offices, hospitality projects and retail infrastructure is boosting consumption of wooden furniture, doors, flooring, cabinetry and decorative interiors. Concurrently, rising consumer preference for modular furniture and better-quality home interiors is increasing the need for adhesives with higher bonding strength, durability and resistance to heat and moisture. Advancements in engineered wood products are also widening the addressable market as plywood, MDF and particle-board manufacturers require adhesives in substantial quantities during production.

In terms of product composition, urea-formaldehyde, accounted for nearly 36% of the market in 2025, owing to its widespread application in wood-based panels and its relatively high reactivity and superior performance. However, soy-based adhesives are expected to record the fastest growth over the forecast period, reflecting increasing demand for sustainable and lower-emission alternatives. Manufacturers are investing in water-based, bio-based, low-VOC and low-formaldehyde formulations to comply with stricter environmental standards and to meet rising demand from green buildings and environmentally conscious furniture producers.

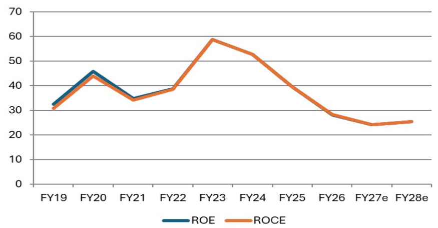
The transition towards sustainable products nevertheless creates near-term challenges for the industry. Restrictions on volatile organic compounds and formaldehyde emissions require investments in R&D, reformulation, testing and manufacturing-process upgrades, which may increase overall costs. Smaller manufacturers could face greater difficulty in adapting to these changes when compared with organized players who possess stronger technical capabilities. This market is also competitive and fragmented, with global companies competing against regional manufacturers which benefits from established dealer networks, local supplier relationships and knowledge of customer requirements.

Financials and Valuation

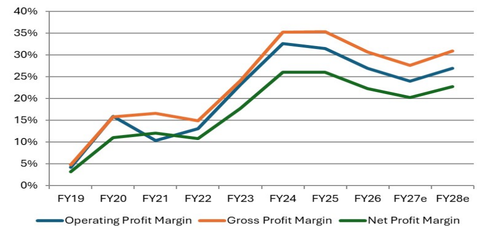
Revenue from operations grew by 10.8% to Rs 314.74 crs in FY26 from Rs 284.12 crs in FY25, driven by volume growth of ~9%. Operating profits fell to Rs 84.96 crs in FY26 from Rs 89.48 crs in FY25, while OPM declined by over 450 bps to ~27%, because of rise in input costs, (much of it was not unexpected as we had estimated OPM of 28% in August last year), though revenues fell short of our 21% growth target. Momentum in topline strengthened considerably in Q4FY26 due to rise in volumes by 16% (yoy), before cooling off in Q1FY27 (Rs 87.71 crs vs Rs 75.1 crs). FY27 began on a difficult note as unrest in West Asia triggered a steep rise in crude linked VAM prices and freight costs. Since Jyoti Resins keeps relatively lean inventories of raw materials, the sudden escalation in input prices flowed quickly through the P&L, while selling price increases were taken gradually, impacting Q1FY27 operating margins by over 1300 bps to 14.4% (yoy). This underscores the fragility in the company's inventory stocking-unsettling, when seen in light of Pidilite's robust inventory handling.



Source: CD Research, Jyoti Resins



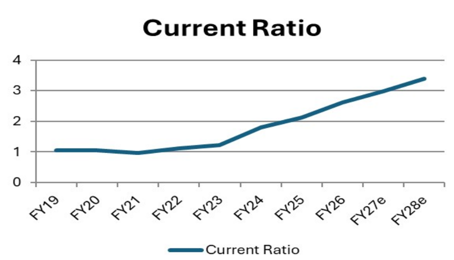
Source: CD Research, Jyoti Resins



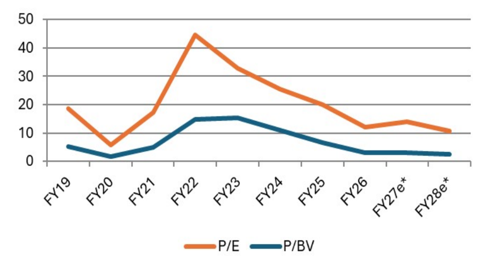
Source: CD Research, Jyoti Resins

VAM remains the key raw material for white glue and it is entirely import dependent, leaving the company exposed to crude-linked price volatility and freight rate surges. To shield from such volatility, the company has started to stock more raw materials, though this barely reflects a sustainable change in the company's inventory handling policy. At the same time, the company would shy away from curtailing investments towards branding spend, carpenter loyalty, dealer engagement, trade marketing and in-shop visibility because of its dire need for higher market penetration. Near term margin pressures would barely unseat its resolve for rapid market growth in newer geographies and steady advances in mature markets of Maharashtra, Gujarat, Karnataka and Rajasthan.

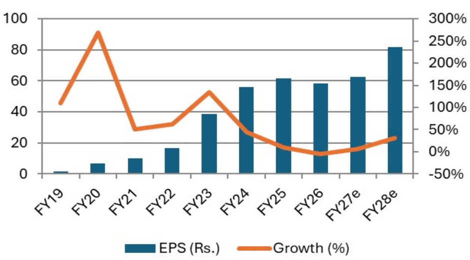
The strategy of exhausting existing market remains relevant, though credit terms may seem favorable in newer markets. Q1FY27 growth came from a combination of established and developing markets, with encouraging response in UP and further expansion planned in Jharkhand, West Bengal, Telangana and some parts of North India. Yet newer market penetration strategy scarcely "moves in a straight line" not least due to ever changing competition landscape, new product launches and strength of unorganized players. The market of Delhi is case in point for Jyoti Resins has decided to go slow in the market due to higher competition from unorganized players and its price conscious nature. Pricing of Euro hardly remains at par with the market leader as market penetration relies less on outright product differentiation and more on carpenter loyalty, distribution network and brand recall. With competition intensifying in white glue, enhancing rewards and channel incentives will remain critical for smaller players.



Source: CD Research, Jyoti Resins

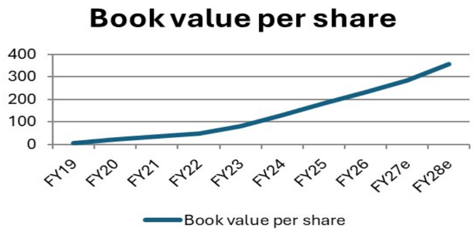


*forward multiple; Source: CD Research

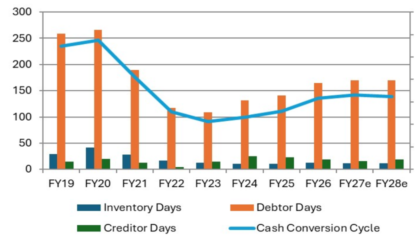


Source: CD Research, Jyoti Resins

Capacity availability is unlikely to be a bottleneck for growth. The brownfield expansion at Santej, which would increase capacity from 2000 tpm to 3500 tpm, is nearing completion and has been funded through internal accruals with relatively modest capex. Thereafter, a greenfield facility in Gujarat is envisaged with an initial capacity of 1500 tonnes per month and scope for phased expansion (upto 5000 tpm), providing the manufacturing base for the Company's longer-term revenue aspiration of Rs 1,000 crs. However, capacity creation has run ahead of current demand, with current utilization at around 60%. Therefore, scaling revenues rather than creating additional capacity will be a larger pressing challenge.



Source: CD Research, Jyoti Resins



Source: CD Research, Jyoti Resins

The stock currently trades at 14.0x FY27e EPS of Rs 62.33 and 10.6x FY28e EPS of Rs 81.76. Much of its liquidity is being used up for funding expansion in newer states- evidenced by surging receivables. Going forward, revenue growth would depend on deeper penetration in newer states as demand in mature markets steadies. With anticipated volume growth of 10% and 12% in FY27 and FY28, we expect the Company to generate topline of over Rs 400 crs in FY28. Margin recovery from the Q1FY27 setback appears plausible as input costs normalize and earlier price increases flow through, though elevated trade and brand investments together with raw material inflation would keep investors on edge.

Brownfield capacity materially raises the ceiling for business scaling, but rising receivables and prolonged recovery in earnings could hold back return ratios. With rising volumes, capacity utilization may improve, aptly reflected in rising fixed asset turnover – 8.6 in FY28 from 6.4 in FY26. Cooling margins would also do its bit in suppressing ROE from 28.2% in FY26 to nearly 25.4% in FY28. Earnings are estimated to grow by some 6.9% and 31.2% in this year and next fiscal respectively. Balancing odds, we retain a 'buy' rating on the stock with a target of Rs 1226 (previous target: Rs 1764) based on 15x FY28e earnings, over a period of 9-12 months. For more info, please refer to our August, 2025 report.

Financials

Quarterly Results

Figures in Rs crs

	Q1FY27	Q1FY26	% chg.	FY26	FY25	% chg.
Income From Operations	**87.71**	**75.10**	**16.8**	**314.74**	**284.12**	**10.8**
Other Income	3.32	3.06	8.5	11.58	10.97	5.6
Total Income	**91.03**	**78.16**	**16.5**	**326.32**	**295.09**	**10.6**
Total Expenditure	75.05	54.46	37.8	229.77	194.64	18.0
EBITDA (other income included)	**15.98**	**23.70**	**-32.6**	**96.54**	**100.45**	**-3.9**
Interest	-	-	-	0.10	0.07	42.9
Depreciation	0.51	0.46	10.9	1.92	1.59	20.8
PBT	**15.46**	**23.24**	**-33.5**	**94.52**	**98.79**	**-4.3**
Tax	3.71	5.86	-36.7	24.54	24.91	-1.5
PAT	**11.75**	**17.38**	**-32.3**	**69.98**	**73.87**	**-5.3**
Extraordinary Items	-	-	-	-	-	-
Adjusted Net Profit	**11.75**	**17.38**	**-32.3**	**69.98**	**73.87**	**-5.3**
EPS(Rs)	9.80	14.48	-32.3	58.31	61.56	-5.3

Income Statement

Figures in Rs crs

	FY24	FY25	FY26	FY27e	FY28e
Income from Operations	**257.30**	**284.12**	**314.74**	**370.45**	**432.43**
Growth (%)	-1.5	10.4	10.8	17.7	16.7
Other Income	6.82	10.97	11.58	13.50	17.10
Total Income	**264.12**	**295.09**	**326.32**	**383.95**	**449.53**
Total Expenditure	173.36	194.64	229.77	281.45	315.68
EBITDA (other income included)	**90.76**	**100.45**	**96.55**	**102.50**	**133.85**
Interest	0.07	0.07	0.10	0.10	0.10
Depreciation	1.09	1.59	1.92	2.00	2.06
PBT	**89.60**	**98.79**	**94.52**	**100.40**	**131.69**
Tax	22.48	24.91	24.54	25.60	33.58
PAT	**67.12**	**73.87**	**69.98**	**74.79**	**98.11**
Extraordinary Items	0.08	-	-	-	-
Adjusted Net Profit	**67.04**	**73.87**	**69.98**	**74.79**	**98.11**
EPS (Rs)	55.87	61.56	58.32	62.33	81.76

Balance Sheet

Figures in Rs crs

	FY24	FY25	FY26	FY27e	FY28e
Sources of Funds					
Share Capital	12.00	12.00	12.00	12.00	12.00
Reserves	154.24	217.26	276.76	340.75	428.06
Total Shareholders' Funds	**166.24**	**229.26**	**288.76**	**352.75**	**440.06**
Long Term Debt	-	-	-	-	-
Total Liabilities	**166.24**	**229.26**	**288.76**	**352.75**	**440.06**
Application of Funds					
Gross Block	54.94	56.66	60.20	62.20	65.20
Less: Accumulated Depreciation	6.70	8.29	10.20	12.21	14.27
Net Block	**48.24**	**48.38**	**50.00**	**49.99**	**50.93**
Capital Work in Progress	-	-	0.12	-	-
Investments	0.04	1.54	46.86	45.00	50.00
Current Assets, Loans & Advances					
Inventory	4.97	6.85	8.53	9.26	10.81
Trade receivables	93.98	125.54	159.15	185.22	216.22
Cash and Bank	110.59	152.94	119.06	164.09	215.85
Short term loans (inc. OCA)	32.23	28.66	32.56	33.32	40.90
Total CA	**241.77**	**314.00**	**319.31**	**391.90**	**483.78**
Current Liabilities	123.23	137.03	128.63	135.92	146.38
Provisions-Short term	0.59	0.02	0.02	0.02	0.02
Total Current Liabilities	**123.82**	**137.05**	**128.65**	**135.94**	**146.40**
Net Current Assets	117.95	176.95	190.66	255.96	337.38
Net Deferred Tax Liability	-0.54	-0.60	-0.85	-0.70	-0.75
Net long term assets (net of liabilities)	0.55	3.00	1.97	2.50	2.50
Total Assets	**166.24**	**229.26**	**288.76**	**352.75**	**440.06**

Key Financial Ratios

	FY24	FY25	FY26	FY27e	FY28e
Growth Ratios (%)					
Revenue	-1.5	10.4	10.8	17.7	16.7
EBITDA	44.2	10.8	-3.9	6.2	30.6
Net Profit	44.4	10.2	-5.3	6.9	31.2
EPS	44.4	10.2	-5.3	6.9	31.2
Margins (%)					
Operating Profit Margin	32.6	31.5	27.0	24.0	27.0
Gross profit Margin	35.2	35.3	30.6	27.6	30.9
Net Profit Margin	26.1	26.0	22.2	20.2	22.7
Return (%)					
ROCE	52.8	39.5	28.2	24.2	25.5
ROE	52.7	39.5	28.2	24.1	25.4
Valuations					
Market Cap/ Sales	6.6	5.2	2.7	2.8	2.4
EV/EBITDA	17.5	13.1	7.5	8.6	6.6
P/E	25.4	19.9	12.1	14.0	10.6
P/BV	10.9	6.7	3.0	3.1	2.4
Other Ratios					
Interest Coverage	1245.7	1412.3	946.2	1005.0	1317.9
Debt Equity	0.0	0.0	0.0	0.0	0.0
Current Ratio	1.8	2.1	2.6	3.0	3.4
Turnover Ratios					
Fixed Asset Turnover	5.4	5.9	6.4	7.4	8.6
Total Asset Turnover	2.0	1.5	1.3	1.2	1.1
Inventory Turnover	34.7	32.9	29.9	31.6	31.5
Debtors Turnover	2.8	2.6	2.2	2.2	2.2
Creditors Turnover	14.4	15.8	18.9	23.1	19.7
WC Ratios					
Inventory Days	10.5	11.1	12.2	11.5	11.6
Debtors Days	131.5	141.0	165.1	169.7	169.4
Creditors Days	25.4	23.1	19.3	15.8	18.6
Cash Conversion Cycle	116.7	128.9	158.0	165.4	162.5

Cumulative Financial Data

Rs crs	FY20-22	FY23-25	FY26-28e
Income from operations	357	803	1118
Operating profit	46	234	291
EBIT	54	250	327
PBT	54	250	327
PAT	40	187	243
Dividends	5	29	32
OPM (%)	12.9	29.2	26.0
NPM (%)	11.2	23.3	21.7
Interest coverage	244.1	1439.4	1089.7
ROE (%)	39.6	44.9	25.0
ROCE (%)	39.3	45.0	25.0
Debt-Equity ratio*	0.0	0.0	0.0
Fixed asset turnover	4.6	5.7	7.5
Inventory turnover	14.4	23.9	31.2
Debtors turnover	2.0	2.8	2.2
Creditors turnover	41.9	22.5	17.2
Inventory days	25.4	15.3	11.7
Debtor days	181.9	129.5	167.4
Creditor days	8.7	16.2	21.2
Cash conversion cycle	198.6	128.6	157.9
Dividend payout ratio (%)	13.0	15.4	13.3

FY20-22 implies three year period ending fiscal 22
*as on terminal year

Cumulative revenue from operations is estimated to increase by over ~39% to Rs 1118 crs in the three year ending FY28 from Rs 803 crs during FY23-25 (see table). Cumulative operating profit, however, is estimated to grow at a slower pace to Rs 291 crs from Rs 234 crs, with OPM moderating to 26% from 29.2%. The moderation largely reflects near-term pressure from elevated raw-material costs and continued investments in advertising, branding and network expansion. Cumulative PAT is estimated at Rs 243 crs during FY26-28e as against Rs 187 crs in FY23-25, while NPM is expected to moderate to 21.7% from 23.3%.

The Company continues to remain debt-free and its ongoing brownfield expansion from 2,000 TPM to 3,500 TPM is being funded entirely through internal accruals. Yet sufficient liquidity did not allow it to stock raw materials for a period of over one month, a factor that dismally drag margins last quarter. Fixed asset turnover is estimated to improve to 7.5x during FY26-28e from 5.7x in FY23-25, not least due to firm realization arising from firmer crude oil prices. ROE and ROCE, however, are anticipated to moderate sharply to around ~25% in FY26-28e from some 45% in FY22-25, largely prevailing stress in earnings arising from ‘sclerosis’ in margins. Dividend payout is expected to remain broadly stable at around ~13%.

Financial Summary- US Dollar denominated

million $	FY24	FY25	FY26	FY27e	FY28e
Equity capital	1.4	1.4	1.3	1.3	1.3
Shareholders' funds	18.6	25.5	29.4	36.2	45.4
Total debt	-	-	-	-	-
Net fixed assets (including CWIP)	5.8	5.7	5.3	5.3	5.4
Investments	-	0.2	5.0	4.8	5.3
Net current assets	12.9	19.4	19.0	26.0	34.6
Total assets	18.6	25.5	29.4	36.2	45.4
Revenues	31.1	33.6	35.6	39.2	45.8
EBITDA	11.0	11.9	10.9	10.9	14.2
EBDT	10.9	11.9	10.9	10.8	14.2
PBT	10.8	11.7	10.7	10.6	13.9
PAT	8.1	8.7	7.9	7.9	10.4
EPS($)	0.7	0.7	0.7	0.7	0.9
Book value ($)	1.6	2.1	2.4	3.0	3.8

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 94.4688/$). All dollar denominated figures are adjusted for extraordinary items.

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buy: >20%	accumulate: >10% to ≤20%	hold: ≥-10% to ≤10%	reduce: ≥-20% to <-10%	sell: <-20%

Rs/$	FY22	FY23	FY24	FY25	FY26
Average	74.51	80.39	82.79	84.57	88.31
Year end	75.81	82.22	83.37	85.58	94.65

All $ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate.