

# Tata Consumer Products

Estimate change



TP change



Rating change



Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USD\$b)	1051.5 / 12.2
52-Week Range (INR)	1247 / 883
1, 6, 12 Rel. Per (%)	-5/0/-17
12M Avg Val (INR M)	1762
Free float (%)	66.2

## Financials & valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	176.2	192.9	208.0
EBITDA	24.8	27.5	31.7
Adj. PAT	13.9	16.7	19.6
EBITDA Margin (%)	14.1	14.3	15.2
Cons. Adj. EPS (INR)	14.0	16.8	19.8
EPS Gr. (%)	-2.4	20.2	17.4
BV/Sh. (INR)	202.1	227.3	240.8

## Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	7.7	8.1	9.1
RoCE (%)	9.1	9.7	10.9
Payout (%)	46.6	38.6	32.9

## Valuations

P/E (x)	75.9	63.2	53.8
EV/EBITDA (x)	39.0	34.8	29.7
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.5	1.4	1.9

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	33.8	33.8	33.6
DII	22.0	22.0	18.7
FII	22.0	21.5	24.1
Others	22.2	22.7	23.6

Note: FII includes depository receipts

**CMP: INR1,063**

**TP: INR1,270 (+20%)**

**Buy**

## Moderating tea prices to aid margin expansion going forward

### Operating performance in line with estimates

- Tata Consumer Products (TATACONS) reported 10% revenue growth in 1QFY26, while EBIT declined 12% YoY. EBIT was affected by higher input costs in the Branded business (India/international business EBIT down 11%/12% YoY) and declining coffee prices in the non-branded business (EBIT down 33%).
- However, with moderating tea prices and improving product mix (higher sales of premium tea), consol margins are expected to expand from 2QFY26, led by better gross margins in the tea business, as indicated by management. The company has guided for consolidated EBITDA margin to gradually reach ~16% by 3Q.
- Factoring in the improving margin trajectory, we increase our FY26/FY27 EBITDA estimates by **7%/3%**. **We reiterate BUY with an SoTP-based TP of INR1,270.**

### Operating profitability muted across businesses this quarter

- Consolidated revenue in 1Q grew 10% YoY to ~INR48b (est. in line). EBITDA margin contracted 260bp YoY to 12.7% (est. 13%), led by lower gross margins (down 480bp YoY) at 40.1%. EBITDA declined 9% YoY to INR6.1b (est. in line).
- The Indian branded business grew 11% YoY to INR31b, led by revenue growth of 8%/14% YoY in the Indian branded beverage/Indian food businesses to INR16.5b/INR15.3b. EBIT declined 11% YoY to INR2.9b.
- The core India business saw double-digit growth in both tea and salt. The salt segment's revenue grew 13% YoY, with 5% growth in volume. The Tata Sampann portfolio grew 27% YoY, led by new launches.
- The RTD segment (NourishCo) witnessed a ~3% YoY decline to ~INR2.7b, driven by trade price corrections, while volumes recorded a moderate growth of 3%, impacted by unfavorable weather conditions. The premium business reported a healthy volume growth of 20% in 1QFY26.
- Growth businesses (including RTD, Capital Foods, and Organic India) reported weak growth this quarter (7% YoY), led by muted growth in RTD and Capital Foods (up 1% YoY), while Organic India grew 31% YoY.
- International branded beverages revenue grew 9% YoY to ~INR11.5b, EBIT declined 12% YoY to INR1.5b, and EBIT margins stood at 13%, down 330bp YoY. The non-branded business revenue increased 7% YoY to ~INR5.4b, while EBIT declined 33% YoY to INR645m.
- Adj. PAT grew 10% YoY to INR3.3b (in line), led by a decrease in finance cost by 64% YoY.

### Highlights from the management commentary

- **Tea pricing:** The tea segment is expected to operate at gross margins of 34-37%, though it currently lags by approximately 10pp. Tea prices declined 13% YoY this quarter and are expected to moderate further, supporting margin expansion. In May, tea production rose 25-30% YoY, and with a normal monsoon expected, the company anticipates further softening in tea prices.
- **India branded beverage business:** Management expects realization growth to moderate going forward, while volume is likely to pick up to mid-single digit YoY. For FY26, the company maintains its total value growth guidance of 6-8% YoY.
- **Growth business:** The company expects growth to exceed 30% for growth businesses starting Q2. Stability is already visible in the Capital Foods business, with full normalization anticipated from Q2 onwards.

### Valuation and view

- We expect margin to recover in the Indian beverage business due to increasing gross margins in the tea business (led by moderating tea prices) and signs of a decent tea crop growth this harvest season. Further, Growth businesses are expected to show strong traction from Q2 onwards. The International business is expected to maintain a similar performance in FY26.
- The continued synergy benefits from the integration of Capital Foods and Organic India are expected to be a key driver of growth for the Indian food business.
- We expect TATACONS to clock a CAGR of 10%/12%/13% in revenue/EBITDA/PAT during FY25-27. **Reiterate BUY with an SoTP-based TP of INR1,270.**

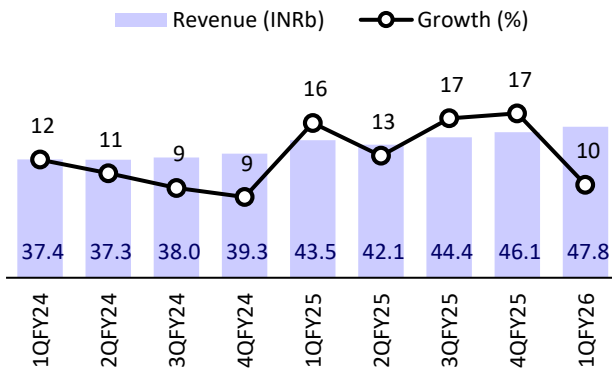
### Consolidated - Quarterly Earning Model

(InR Million)

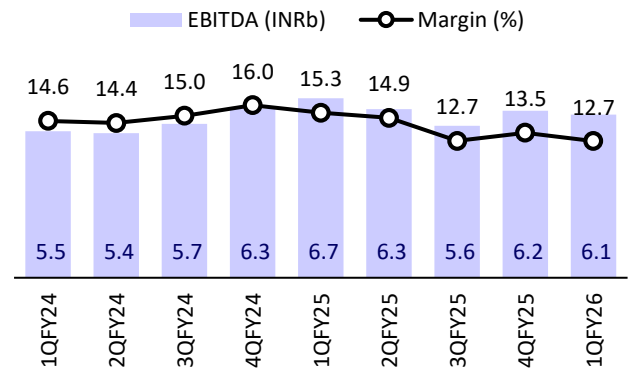
Y/E March	FY25				FY26				FY25	FY26E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Gross Sales</b>	<b>43,521</b>	<b>42,145</b>	<b>44,436</b>	<b>46,082</b>	<b>47,789</b>	<b>46,476</b>	<b>48,196</b>	<b>50,433</b>	<b>1,76,183</b>	<b>1,92,894</b>	<b>47,115</b>	<b>1</b>
YoY Change (%)	16.3	12.9	16.8	17.3	9.8	10.3	8.5	9.4	15.9	9.5	8.3	
Total Expenditure	36,847	35,882	38,788	39,873	41,720	40,054	40,881	42,733	1,51,390	1,65,388	41,001	
<b>EBITDA</b>	<b>6,674</b>	<b>6,263</b>	<b>5,647</b>	<b>6,210</b>	<b>6,069</b>	<b>6,422</b>	<b>7,315</b>	<b>7,700</b>	<b>24,794</b>	<b>27,506</b>	<b>6,115</b>	<b>-1</b>
Margins (%)	15.3	14.9	12.7	13.5	12.7	13.8	15.2	15.3	14.1	14.3	13.0	
Depreciation	1,480	1,493	1,503	1,531	1,489	1,520	1,540	1,550	6,007	6,099	1,550	
Interest	936	987	579	400	338	340	345	350	2,902	1,373	400	
Other Income	392	460	516	565	412	575	600	635	1,933	2,222	550	
<b>PBT before EO expense</b>	<b>4,650</b>	<b>4,242</b>	<b>4,081</b>	<b>4,844</b>	<b>4,654</b>	<b>5,137</b>	<b>6,030</b>	<b>6,435</b>	<b>17,817</b>	<b>22,256</b>	<b>4,715</b>	
Extra-Ord expense	-171	-272	-62	453	0	0	0	0	-51	0	0	
<b>PBT</b>	<b>4,479</b>	<b>3,971</b>	<b>4,019</b>	<b>5,297</b>	<b>4,654</b>	<b>5,137</b>	<b>6,030</b>	<b>6,435</b>	<b>17,766</b>	<b>22,256</b>	<b>4,715</b>	
Tax	1,337	377	1,022	1,226	1,190	1,293	1,518	1,601	3,962	5,601	1,187	
Rate (%)	29.9	9.5	25.4	23.2	25.6	25.2	25.2	24.9	22.3	25.2	25.2	
Minority Interest	-11	28	30	39	-24	31	33	43	86	83	-11.8	
Profit/Loss of Asso. Cos.	-249	79	-178	-584	-147	-15	-169	-554	-932	-885	-237	
<b>Reported PAT</b>	<b>2,903</b>	<b>3,644</b>	<b>2,789</b>	<b>3,449</b>	<b>3,342</b>	<b>3,798</b>	<b>4,309</b>	<b>4,237</b>	<b>12,785</b>	<b>15,686</b>	<b>3,303</b>	
<b>Adj PAT</b>	<b>3,031</b>	<b>3,848</b>	<b>2,835</b>	<b>3,109</b>	<b>3,342</b>	<b>3,798</b>	<b>4,309</b>	<b>4,237</b>	<b>12,823</b>	<b>15,686</b>	<b>3,303</b>	<b>1</b>
YoY Change (%)	-5.4	10.2	-18.4	-17.9	10.2	-1.3	52.0	36.3	-8.1	22.3	9.0	
Margins (%)	7.0	9.1	6.4	6.7	7.0	8.2	8.9	8.4	7.3	8.1	7.0	

## Key exhibits

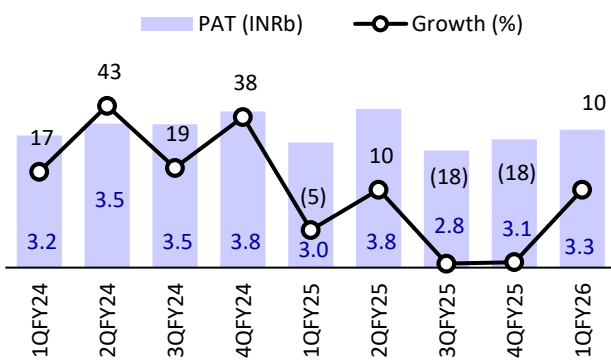
**Exhibit 1: Consolidated revenue trend**



**Exhibit 2: Consolidated EBITDA trend**

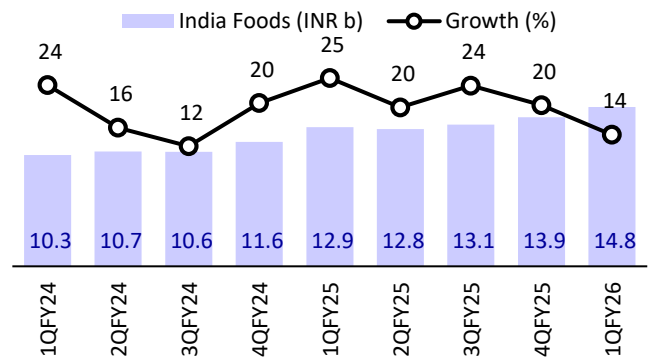


**Exhibit 3: Consolidated adjusted PAT trend**



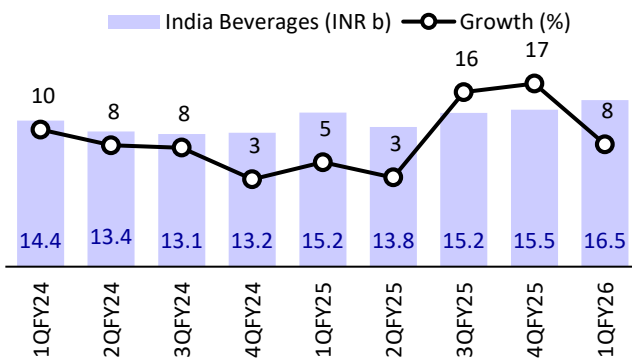
Source: Company, MOFSL

**Exhibit 4: India Foods revenue trend**

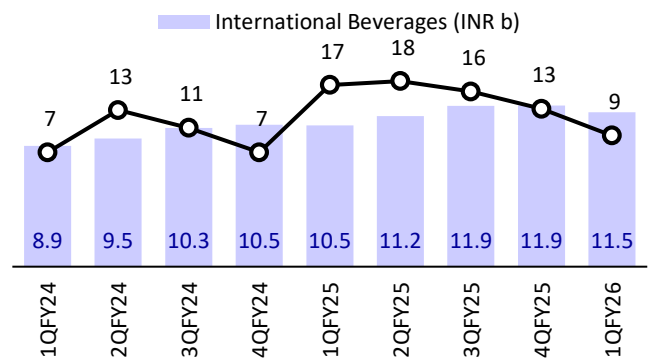


Source: Company, MOFSL

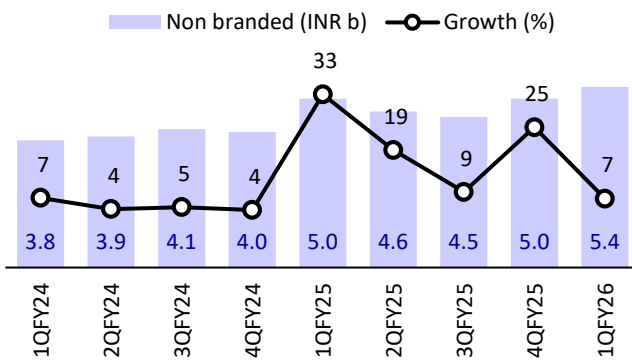
**Exhibit 5: India Beverages revenue trend**



**Exhibit 6: International Branded Beverages revenue trend**

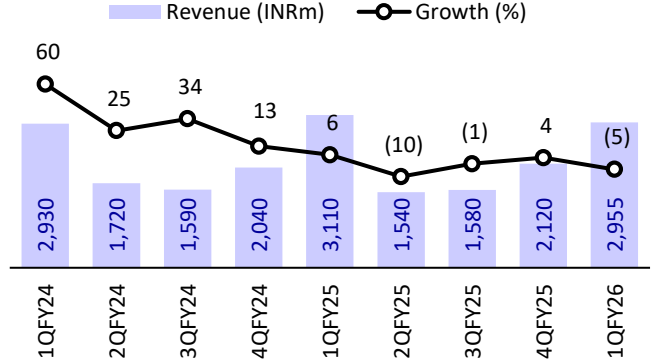


**Exhibit 7: Non-Branded business revenue trend**



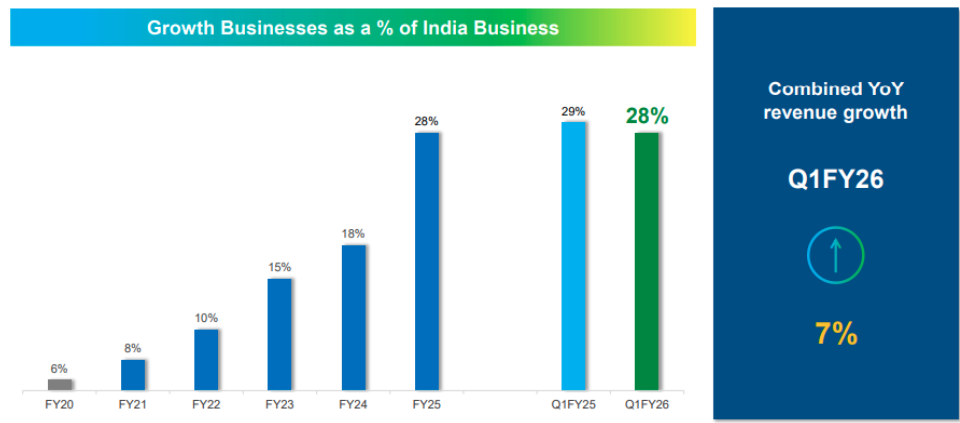
Source: Company, MOFSL

**Exhibit 8: NourishCo revenue trend**



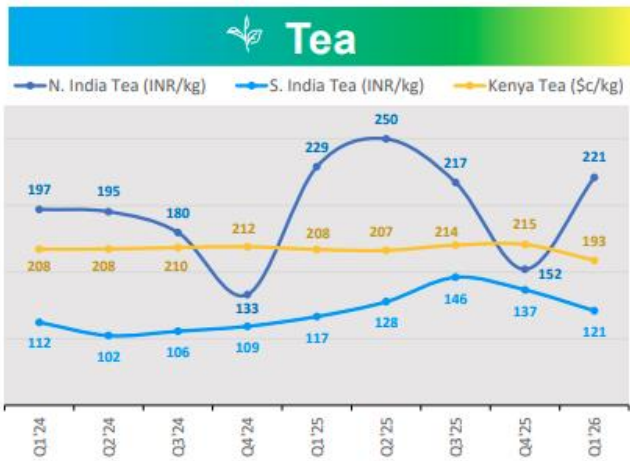
Source: Company, MOFSL

**Exhibit 9: Growth business accounts for ~28% of the India business**

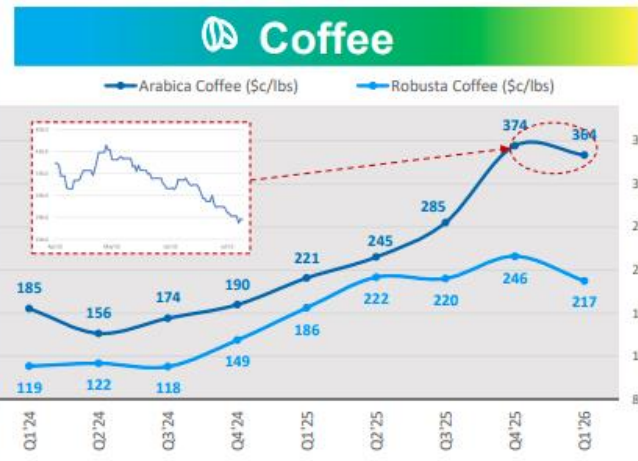


Source: Company

**Exhibit 10: Key commodity price movements**



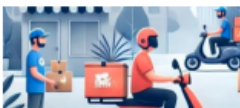




- **North India tea** prices are moderately lower v/s the same period last year as tea crop supply in the region is robust. Prices for July (MTD) are 9% lower YoY.
- **South India tea** prices continued to soften.
- **Kenyan tea** prices remain stable.



- **Arabica and Robusta** prices have moderated significantly however, remain volatile.

Source: Company

**Exhibit 11: TATACONS is strengthening alternate channels**

	<b>E-Com (including Q-Com)</b>	<b>+61% YoY</b>
	<b>Modern Trade</b>	<b>+21% YoY</b>
	<b>Food Services</b>	Successful activation across key large accounts and premium hotel chains.
	<b>Pharmacies</b>	Distribution expanded to the top 40 cities. Demand generation activities underway.
	<b>Vending</b>	~5,000 machines installed. 5% share in the bean-to-cup market*.

\* Management estimates.

Source: Company

**Exhibit 12: Consolidated segmental results**

INR m	1QFY25	4QFY25	1QFY26	%/bp ch YoY	%/bp ch QoQ
<b>Segmental revenue</b>					
Branded Business					
India - Beverages	15,230	15,510	16,470	8%	6%
India - Foods	12,921	13,857	14,787	14%	7%
International - Beverages	10,464	11,937	11,452	9%	-4%
<b>Total Branded Business</b>	<b>38,615</b>	<b>41,304</b>	<b>42,709</b>	<b>11%</b>	<b>3%</b>
Non-Branded Business	5,006	5,006	5,358	7%	7%
<b>Total Segment Revenue</b>	<b>43,621</b>	<b>46,310</b>	<b>48,067</b>	<b>10%</b>	<b>4%</b>
Others	125	81	103		
International segment sales	-225	-308	-381		
<b>Revenue from Operations</b>	<b>43,521</b>	<b>46,082</b>	<b>47,789</b>	<b>10%</b>	<b>4%</b>
<b>Segment Results</b>					
<b>Branded Business</b>					
India - Business	3,258	2,416	2,903	-11%	20%
International - Beverages	1,755	1,573	1,546	-12%	-2%
<b>Total Branded Business</b>	<b>5,013</b>	<b>3,989</b>	<b>4,448</b>	<b>-11%</b>	<b>12%</b>
<b>Non-Branded Business</b>	<b>961</b>	<b>1,120</b>	<b>645</b>	<b>-33%</b>	<b>-42%</b>
<b>Total Segment Results</b>	<b>5,974</b>	<b>5,109</b>	<b>5,094</b>	<b>-15%</b>	<b>0%</b>
<b>EBIT margins</b>					
India - Business	11.6%	8.2%	9.3%	(228)	106
International - Beverages	16.8%	13.2%	13.5%	(328)	32
Total Branded Business	13.0%	9.7%	10.4%	(257)	76
Non-Branded Business	19.2%	22.4%	12.0%	(715)	(1,032)

Note: India - Business includes India - Beverages and India - Foods

Source: Company, MOFSL



## Highlights from the management commentary

### India packaged beverages business

- The India packaged beverages business reported revenue growth of 12% YoY, with volumes growing 1%. This growth was broad-based across brands/segments.
- Coffee continued its strong trajectory; revenue grew 67% in 1QFY26 on the back of 33% growth in volumes.
- The core India business, which includes tea and salt, witnessed double-digit growth.
- Tetley introduced Slim Care and Beauty Care Green Teas, with its disruptive innovation of green teas enriched with L-Carnitine and Biotin, respectively.
- The tea segment is expected to operate at gross margins of 34-37%, though it currently lags by approximately 10pp. Tea prices declined 13% YoY, but margins are expected to expand starting Q3.
- Going forward, realization growth may moderate, but volume is expected to pick up in the mid-single digits, supporting a maintained value growth guidance of 6-8% for FY26.
- The company has taken both price increases and reductions across select blends this quarter, demonstrating agility in pricing strategy.
- May witnessed a 25-30% increase in tea production YoY. With expectations of a normal monsoon, the company anticipates a further softening in tea prices.

### India foods business

- The business registered 14% YoY revenue growth in 1QFY26, with volume growth of 6% YoY during the quarter.
- In line with the company's premiumization agenda, value-added salt products maintained their strong momentum, up 31% YoY in 1QFY26.
- The company launched 'Namak Ho Tata Ka 2.0' to reinforce its brand promise, featuring region-specific musicals and broad activation across major TV, digital, and high-impact platforms.
- During the quarter, Tata Sampann grew 27% YoY, led by strong traction in new launches and innovations.
- Dry fruits and Cold Pressed Oil continue to build on their growth momentum.

### RTD

- Revenue for the RTD segment declined ~13%, led by low volume growth of ~3%, which was impacted by unfavorable weather and trade price corrections undertaken last year.
- The premium business grew 11% in 1QFY26, while Tata Copper+ recorded 11% revenue growth.
- The RTD segment continues to strengthen its portfolio by entering new segments, formats, and occasions, launching eight new products during the quarter.

### Capital Foods and Organic India

- Capital Foods/Organic India revenue stood at ~INR1.6b/INR930m in 1QFY25.
- Capital Foods and Organic India grew 10% in 1QFY26 on a combined basis (including international operations on a like-for-like basis, including pre-acquisition revenue). This was impacted by transitory issues.
- The combined gross margin stood at 50% for 1QFY26.

- Organic India's 1QFY26 e-commerce revenue grew ~3.5x YoY.
- Capital Foods activated media on quick commerce platforms to strengthen brand association with the channel.
- Organic India partnered with Sachin Tendulkar, aligning his reputation for integrity with the brand's emphasis on quality and trust.
- The subdued primary growth was largely due to temporary issues in Q1, including shipping disruptions in the Middle East, supply chain challenges with imported ingredients (primarily from China), which required recipe modifications, and inventory optimization in select categories. Most of these issues have now been resolved.
- The company has more than doubled the distribution reach for Capital Foods since the acquisition (from ~300,000 outlets).

### **Tata Starbucks**

- Revenue grew 6% YoY in 1QFY26.
- Same store sales growth (SSSG) was positive except during May, when the regional geopolitical tensions flared up and impacted store operating hours in specific geographies.
- The company added six new stores (net) in 1QFY26, bringing the total store count to 485 as of Jun'25 in 80 cities.
- The Cold Brew category continued to grow, contributing to a larger share of the beverage menu mix.

### **Non-branded business**

- Non-branded business revenue in constant currency (including Vietnam) grew 6% YoY in 1QFY26.
- The soluble business witnessed ~5% YoY revenue growth in 1QFY26, while plantations delivered 11% growth, as moderating coffee prices impacted margins.
- As coffee prices come off their record highs, albeit with continued volatility, the non-branded business has responded with prompt agility.
- Profitability for the business was impacted owing to the drop in global coffee prices.

### **International operations**

- Revenue for international operations grew 5% (constant currency) in 1QFY26.
- **US business:** The US coffee continued to witness accelerated growth, up 20%. Eight O'clock continued to gain market share within bags as well as K-cups.
- **UK business:** 4Q revenue declined 4% YoY as the business cycled a high base; Tetley's new TV ad titled 'Britain's tea' was well received by consumers across the Board.
- **Canada business:** It witnessed revenue decline of 7% YoY (constant currency) in 4QFY25, primarily due to a shift in promotional calendars at key retail partners. Meanwhile, Tetley continued to retain its market leadership position.

### **NourishCo and growth business**

- Pricing corrections were implemented in the second half of June or early July 2024. The growth slowdown was partly due to increased distributor margins stemming from elevated incentive structures.
- The company expects growth to exceed 30% for both NourishCo and the overall growth business over the next three quarters.

- Stability is already visible in the Capital Foods business, with full normalization anticipated from Q2 onwards.

### Other highlights

- Channels of the future continued to fuel the company's growth and innovation agenda. The e-commerce channel grew 61% and Modern Trade recorded 21% growth in the quarter.
- New channels - Rollout in Food Services and Pharmacies to fuel growth is progressing as per plan. Food Services saw successful activation across key large accounts and premium hotel chains. Pharmacy distribution has expanded to the top 40 cities.
- Momentum on innovation continued with a focus on Health & Wellness, Convenience, and Premiumization.
- According to Nielsen data, market share declined 40bp in salt and 80bp in tea (June 2025 vs June 2024). Nielsen revised its methodology this year, shifting from a triennial update cycle to an annual one. The company does not fully endorse the latest Nielsen market share estimates.
- Across the portfolio, the company has implemented both price increases and reductions.
- There are three US-focused businesses that rely heavily on Indian operations: U.S. Coffee Business, Organic India (40% of turnover is U.S.-bound exports from India), Ethnic Exports (Tata Sampann, Tea).
- The company anticipates no adverse impact from tariffs on these segments, and if any impact arises, it will be industry-wide rather than company-specific.
- Dry fruits are inherently high-volume, low-margin products. However, the company has stabilized its supply and demand ecosystem and now aims to pursue value addition to enhance margins.
- The noodle category faced capacity constraints, as the company was unaccustomed to offering multiple low-price-point SKUs. Recently launched INR 10 and INR 15 packs have seen unexpected demand, quickly exceeding available production capacity.

### Valuation and view

- We expect margin to recover in the Indian beverage business due to increasing gross margins in the tea business (led by moderating tea prices) and signs of a decent tea crop growth this harvest season. Further, Growth businesses are expected to show strong traction from Q2 onwards. The International business is expected to continue similar performance in FY26.
- The continued synergy benefits from the integration of Capital Foods and Organic India are expected to be a key driver of growth for the Indian food business.
- We expect TATACONS to clock a CAGR of 10%/12%/13% in revenue/EBITDA/PAT during FY25-27. **Reiterate BUY with an SoTP-based TP of INR1,350.**



**Exhibit 13: Valuation methodology**

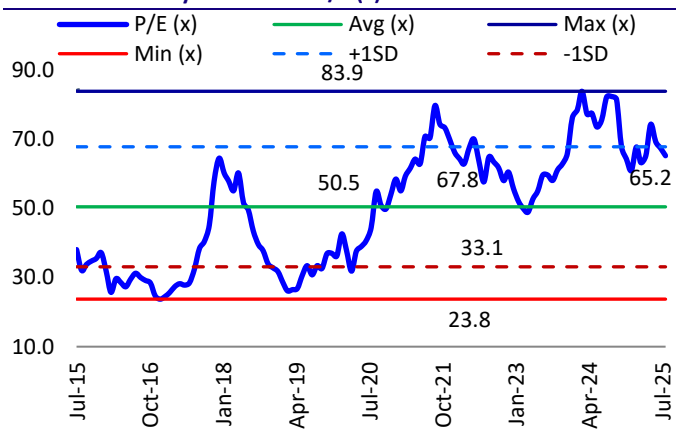
EV/EBITDA	FY27 EBITDA	Multiple (x)	EV
India Branded Business	24,094	42	10,14,342
International Branded Business	7,188	15	1,07,818
Non Branded Business	1,411	15	21,169
Elimination	-987	15	-14,812

DCF	
Starbucks JV	90,724
<b>Enterprise value</b>	<b>12,19,240</b>
Less: Net debt	(37,314)
<b>Market value (INRm)</b>	<b>12,56,554</b>
No. of shares (m)	990
<b>Target price (INR)</b>	<b>1,270</b>

\* includes Tea, Nourishco, Salt, and other food products

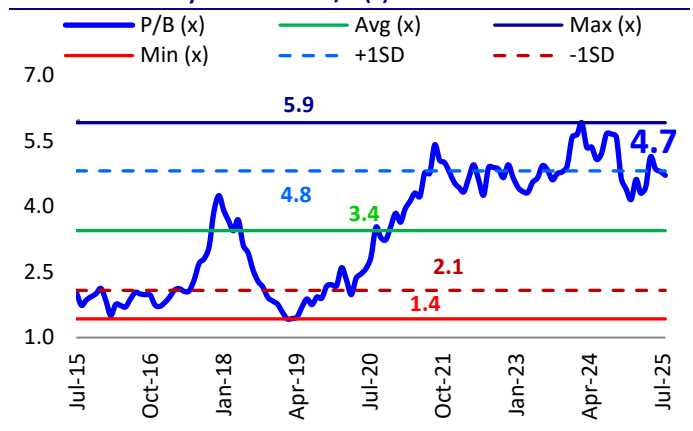
Source: MOFSL

**Exhibit 14: One-year forward P/E (x)**



Source: MOFSL

**Exhibit 15: One-year forward P/B (x)**



Source: MOFSL

**Exhibit 16: Revisions to our estimates**

Earnings Change (INR m)	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	1,90,178	2,05,146	1,92,894	2,08,010	1%	1%
EBITDA	25,726	30,772	27,506	31,705	7%	3%
Adj. PAT	15,188	18,968	16,654	19,557	10%	3%

Source: MOFSL

## Financials and valuations

Consolidated Income Statement							(INRb)	
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Net Sales</b>	<b>96.4</b>	<b>116.0</b>	<b>124.3</b>	<b>137.8</b>	<b>154.3</b>	<b>176.2</b>	<b>192.9</b>	<b>208.0</b>
Change (%)	32.9	20.4	7.1	10.9	11.9	14.2	9.5	7.8
<b>Gross Profit</b>	<b>42.3</b>	<b>47.0</b>	<b>53.4</b>	<b>57.8</b>	<b>65.7</b>	<b>75.5</b>	<b>81.5</b>	<b>90.4</b>
Margin (%)	43.9	40.5	43.0	41.9	42.6	42.8	42.2	43.4
Other operating exp.	29.3	31.6	36.2	39.2	43.3	50.7	54.0	58.7
<b>EBITDA</b>	<b>12.9</b>	<b>15.4</b>	<b>17.2</b>	<b>18.6</b>	<b>22.5</b>	<b>24.8</b>	<b>27.5</b>	<b>31.7</b>
Margin (%)	13.4	13.3	13.8	13.5	14.6	14.1	14.3	15.2
Depreciation	2.4	2.5	2.8	3.0	3.7	6.0	6.1	6.9
Net Interest	0.8	0.7	0.7	0.9	1.3	2.9	1.4	1.0
Other income	1.1	1.2	1.4	1.7	2.5	1.9	2.2	2.4
<b>PBT before EO</b>	<b>10.8</b>	<b>13.4</b>	<b>15.1</b>	<b>16.3</b>	<b>19.9</b>	<b>17.8</b>	<b>22.3</b>	<b>26.1</b>
EO income/(exp.)	-2.7	-0.3	-0.5	1.6	-3.3	-0.1	0.0	0.0
PBT after EO	8.1	13.1	14.6	17.9	16.7	17.8	22.3	26.1
Tax	2.7	3.2	3.8	4.5	3.9	4.0	5.6	6.6
Rate (%)	33.9	24.2	25.9	24.9	23.7	22.3	25.2	25.2
Minority and Associates	0.8	1.4	1.4	1.4	1.5	1.0	1.0	0.9
<b>Reported PAT</b>	<b>4.6</b>	<b>8.6</b>	<b>9.4</b>	<b>12.0</b>	<b>11.2</b>	<b>13.8</b>	<b>16.7</b>	<b>19.6</b>
<b>Adjusted PAT</b>	<b>7.2</b>	<b>8.7</b>	<b>9.7</b>	<b>10.8</b>	<b>13.7</b>	<b>13.9</b>	<b>16.7</b>	<b>19.6</b>
Change (%)	63.5	20.8	11.8	11.2	26.1	1.4	20.2	17.4

Balance Sheet							(INRb)	
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Share Capital	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Reserves	137.2	144.4	150.5	161.8	159.6	199.0	208.5	220.9
<b>Net Worth</b>	<b>138.1</b>	<b>145.3</b>	<b>151.4</b>	<b>162.8</b>	<b>160.6</b>	<b>200.0</b>	<b>209.5</b>	<b>221.9</b>
Minority Interest	10.9	10.9	11.5	8.5	13.8	13.9	14.0	14.2
Loans	12.6	12.1	10.1	11.8	29.5	18.5	13.5	13.5
<b>Capital Employed</b>	<b>161.6</b>	<b>168.3</b>	<b>173.0</b>	<b>183.1</b>	<b>203.9</b>	<b>232.4</b>	<b>236.9</b>	<b>249.6</b>
Gross Block	59.1	61.8	66.7	71.7	113.9	131.1	135.1	139.1
Less: Accum. Deprn.	18.8	21.4	24.2	27.2	30.9	36.9	43.0	49.9
<b>Net Fixed Assets</b>	<b>40.3</b>	<b>40.4</b>	<b>42.5</b>	<b>44.5</b>	<b>83.0</b>	<b>94.2</b>	<b>92.1</b>	<b>89.2</b>
Capital WIP	1.0	1.1	4.6	5.1	4.0	4.3	4.3	4.3
Goodwill & Intangibles	73.3	76.0	77.5	80.3	103.3	113.3	113.3	113.3
Investments	4.9	4.8	6.0	6.8	6.3	6.8	5.9	5.2
<b>Curr. Assets</b>	<b>65.3</b>	<b>79.9</b>	<b>80.1</b>	<b>91.0</b>	<b>82.1</b>	<b>99.7</b>	<b>110.3</b>	<b>130.7</b>
Inventories	17.1	22.5	22.7	27.0	27.7	36.0	38.1	41.0
Account Receivables	9.2	7.6	8.4	8.0	9.0	8.7	11.6	12.5
Cash and Bank Balance	24.6	34.0	28.0	35.5	26.9	31.1	35.6	50.8
Others	14.4	15.8	21.1	20.5	18.5	23.9	25.1	26.3
<b>Curr. Liability &amp; Prov.</b>	<b>20.1</b>	<b>28.4</b>	<b>30.2</b>	<b>36.4</b>	<b>58.4</b>	<b>65.5</b>	<b>68.6</b>	<b>72.7</b>
Account Payables	9.4	16.3	19.2	23.5	27.1	35.1	37.0	39.9
Other liabilities	7.9	9.2	8.6	10.5	27.4	26.9	28.0	29.1
Provisions	2.8	2.9	2.5	2.4	3.9	3.6	3.7	3.8
<b>Net Curr. Assets</b>	<b>45.2</b>	<b>51.5</b>	<b>49.8</b>	<b>54.6</b>	<b>23.7</b>	<b>34.2</b>	<b>41.7</b>	<b>57.9</b>
Def. tax liability	3.0	5.5	7.5	8.1	16.5	20.4	20.4	20.4
<b>Appl. of Funds</b>	<b>161.6</b>	<b>168.3</b>	<b>173.0</b>	<b>183.1</b>	<b>203.9</b>	<b>232.4</b>	<b>236.9</b>	<b>249.6</b>

## Financials and valuations

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>7.6</b>	<b>9.1</b>	<b>10.2</b>	<b>11.4</b>	<b>14.3</b>	<b>14.0</b>	<b>16.8</b>	<b>19.8</b>
Cash EPS	9.7	11.4	12.7	14.0	17.5	20.1	24.7	28.7
BV/Share	139.6	146.9	153.0	164.5	162.3	202.1	227.3	240.8
DPS	2.7	4.1	6.1	6.1	6.5	6.5	6.5	6.5
Payout (%)	54.1	43.6	59.6	46.7	55.2	46.6	38.6	32.9
Dividend yield (%)	0.3	0.4	0.6	0.6	0.6	0.6	0.6	0.6
<b>Valuation (x)</b>								
P/E	140.4	116.2	103.9	93.4	74.1	75.9	63.2	53.8
Cash P/E	109.2	93.4	84.0	75.8	60.6	53.0	43.1	37.0
P/BV	7.6	7.2	6.9	6.5	6.6	5.3	4.7	4.4
EV/Sales	10.0	8.3	7.7	6.9	6.4	5.5	5.0	4.5
EV/EBITDA	74.9	62.0	56.0	51.5	43.7	39.0	34.8	29.7
Dividend Yield (%)	0.3	0.4	0.6	0.6	0.6	0.6	0.6	0.6
FCF per share	10.0	15.7	13.5	12.4	16.8	16.1	15.2	20.6
<b>Return Ratios (%)</b>								
RoE	6.8	6.1	6.6	6.9	8.5	7.7	8.1	9.1
RoCE	8.5	8.2	8.9	9.5	10.5	9.1	9.7	10.9
RoIC	11.5	10.9	10.5	11.2	12.1	10.5	11.0	12.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.4	2.9	2.9	3.1	1.9	1.9	2.1	2.3
Asset Turnover (x)	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Debtor (Days)	35	24	25	21	21	18	22	22
Creditor (Days)	36	51	56	62	64	73	70	70
Inventory (Days)	65	71	67	72	66	75	72	72
<b>Leverage Ratio (x)</b>								
Net Debt/Equity	-0.1	-0.2	-0.1	-0.1	0.0	-0.1	-0.1	-0.2
	64	44	35	31	23	20	24	24
<b>Cash flow statement (INRb)</b>								
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>EBITDA</b>	<b>12.9</b>	<b>15.4</b>	<b>17.2</b>	<b>18.6</b>	<b>22.5</b>	<b>24.8</b>	<b>27.5</b>	<b>31.7</b>
Prov. & FX	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
WC	-0.6	3.1	2.0	0.3	1.9	0.0	-2.9	-0.8
Others	1.4	1.2	-0.3	0.2	-1.2	-0.2	0.0	0.0
Direct taxes (net)	-2.7	-3.2	-3.8	-4.5	-3.9	-4.0	-5.6	-6.6
<b>CF from Op. Activity</b>	<b>10.8</b>	<b>16.6</b>	<b>15.2</b>	<b>14.6</b>	<b>19.4</b>	<b>20.6</b>	<b>19.0</b>	<b>24.3</b>
Capex	-1.6	-2.1	-2.7	-3.1	-3.3	-4.6	-4.0	-4.0
<b>FCFF</b>	<b>9.2</b>	<b>14.5</b>	<b>12.4</b>	<b>11.5</b>	<b>16.0</b>	<b>16.0</b>	<b>15.0</b>	<b>20.3</b>
Interest/dividend	0.6	0.7	0.9	1.2	1.9	1.2	2.2	2.4
Investments in subs/assoc.	-0.2	-2.2	-7.4	-2.0	-38.8	-19.3	0.0	0.0
Others	-5.5	-0.5	-4.0	-4.4	21.0	-0.8	0.0	0.0
<b>CF from Inv. Activity</b>	<b>-6.7</b>	<b>-4.1</b>	<b>-13.2</b>	<b>-8.3</b>	<b>-19.3</b>	<b>-23.5</b>	<b>-1.8</b>	<b>-1.6</b>
Share capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings	0.3	-0.6	-4.9	0.0	12.5	-11.6	-5.0	0.0
Finance cost	-0.7	-0.7	-0.6	-0.8	-1.2	-2.6	-1.4	-1.0
Dividend	-2.2	-2.7	-4.0	-5.7	-8.1	-7.4	-6.4	-6.4
Others	6.9	0.9	1.6	7.8	-11.9	28.8	0.0	0.0
<b>CF from Fin. Activity</b>	<b>4.3</b>	<b>-3.0</b>	<b>-7.9</b>	<b>1.2</b>	<b>-8.6</b>	<b>7.1</b>	<b>-12.8</b>	<b>-7.4</b>
<b>(Inc)/Dec in Cash</b>	<b>8.4</b>	<b>9.4</b>	<b>-6.0</b>	<b>7.5</b>	<b>-8.6</b>	<b>4.2</b>	<b>4.5</b>	<b>15.2</b>
Opening balance	16.2	24.6	34.0	28.0	35.5	26.9	31.1	35.6
<b>Closing balance (as per B/S)</b>	<b>24.6</b>	<b>34.0</b>	<b>28.0</b>	<b>35.5</b>	<b>26.9</b>	<b>31.1</b>	<b>35.6</b>	<b>50.8</b>

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NEUTRAL	< - 10 % to 15%
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