Tata Consumer Products (TATGLO)

ICICI Direct

CMP: ₹1110 | Target ₹ 1420 (28%) | Target Period: 12 months

BUY

July 27, 2026

Result Update

Growth business fires up; Double-digit revenue guidance retained

About the stock: Tata Consumer Products (TCPL) was formed with a vision to synergise, simplify and scale the principal consumer products interests of the Tata Group under one roof. Under the vision it has transformed itself from commodities tea/coffee business to high margins food and beverage business.

Q1FY27 performance: TCPL's consolidated revenues grew by 11.9% YoY growth to Rs.5348.9cr driven by 13% YoY volume growth in the India business. International business grew by 16% YoY while unbranded business revenues declined 10% YoY in Q1FY27. Gross margins improved 257bps YoY to 42.7% led by favourable tea prices. EBITDA margins improved 84bps YoY to 13.5%. EBITDA grew by 19.3% YoY to Rs.724.1cr. Adjusted PAT grew by 26% YoY to Rs.468.4cr

Investment Rationale:

Growth business grew by 47% YoY; saliency improved to 36% of India business: Growth businesses maintained the sturdy growth momentum with revenues growing by 47% YoY to Rs1,314cr. Its saliency to India business improved from 28% in Q1FY26 to 36% in Q1FY27 (~25% of consolidated revenues). Tata Sampann (~44% of growth businesses revenues) grew by 58% with core portfolio of pulses, grains and spices growing at 30% while new additions such as dry fruits and cold press oil doubling on YoY basis. Ready-To-Drink (RTD) beverages had a strong quarter due to extended summers resulting in 41% growth (driven by 35% volume growth). The company is focusing on adding premium products in RTD beverages portfolio. Capital Food witnessed good recovery 40% growth while Organic Foods grew by 27% during the quarters. Overall, we expect growth businesses to continue to grow in strong double digit in the quarters ahead. This will further provide good support to the margins in the coming years.

Salt growing in good volumes; tea sales impacted by extended summers: Tata Salt (~20% of consolidated volumes) registered a volume led growth of 7%. High single digit volume growth was supported by 13% volume growth in the value-added salt. The company has undertaken calibrated price hikes in salt portfolio to mitigate input cost inflation. We expect Tata Salt to continue to grow at 5-7% in the near term. Branded Tea/Coffee volumes grew by 2% as category was affected by extended summers. Lower tea prices have been passed on to the consumer and hence value sales witness a decline of 4% during the quarter. The company witnessed an inflation of 7-10% in the domestic raw tea prices and has undertaken calibrated price hikes to pass on the inflation. However, sustenance of high single inflation or any further increase in tea prices will depend on the new crop in the market. Overall management hinted towards further price hikes to reduce stress on margins if tea inflation moves up from current levels.

EBIDTA margins to improve by 50-75bps in FY27: TCPL's consolidated EBIDTA margins improved by 84bps YoY to 13.5%, largely on account of 257bps YoY improvement in the gross margins. Correction in tea and coffee prices along with better mix led to YoY improvement in the gross margins. Growth businesses such as Capital Foods and Organic Foods are operating at higher gross margins of 49% (vs. consolidated gross margins of 43%). Tata Sampann is heading towards mid-teen margins. The company will take required price hikes in branded tea portfolio to mitigate margin pressure in the quarters ahead. Overall, we expect TCPL's consolidated EBIDTA margins to expand by 50-75bps in FY27.

Rating and Target Price: We recommend **Buy** with a **price target of Rs.1,420 (FY28E EPS of Rs25.4 valuing at 56x).**

TATA CONSUMER PRODUCTS LIMITED

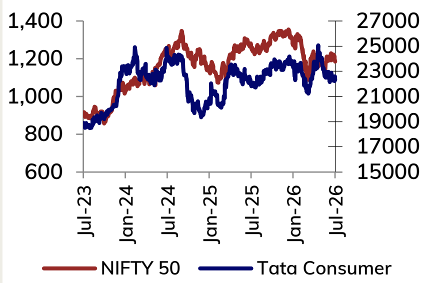
Particulars

Particular	Amount
Market Capitalisation (₹ crore)	1,09,846
Debt (FY26) -₹ crore	4,554
Cash (FY26) - ₹ crore	3,420
EV (Rs crore)	1,10,979
52-week H/L (₹)	1283 / 1007
Equity capital (₹ crore)	99.0
Face value (₹)	1.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	33.8	33.8	33.8	33.8
FII	21.5	21.2	21.2	20.1
DII	22.0	23.5	23.5	25.0
Others	22.7	21.5	21.5	21.1

Price Chart



Key risks

- Sustained inflation in the raw tea prices.
- Increase in competition from regional brands in tea and coffee segment.
- Slow scale-up in some of the recent acquisitions.

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ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	13783.6	15205.9	17618.3	20290.4	13.8	22987.6	25799.7	12.8
EBIDTA	1856.9	2284.1	2479.4	2791.8	14.6	3345.1	3924.1	18.6
EBIDTA Margins (%)	13.5	15.0	14.1	13.8		14.6	15.2	
Adjusted PAT	1193.0	1457.4	1377.0	1725.2	13.1	2067.6	2516.0	20.8
EPS (Rs.)	12.1	14.7	13.9	17.4		20.9	25.4	
PE (x)	85.8	72.6	79.8	63.7		53.1	43.7	
EV to EBIDTA (x)	58.3	49.3	44.9	39.8		32.9	27.7	
RoE (%)	7.1	8.4	7.1	7.7		8.7	10.0	
RoCE (%)	8.7	9.2	7.7	8.5		9.9	11.7	

Source: Company, ICICI Direct Research

Q1FY27 – Key Performance highlights

- TCPL's consolidated revenues reported 11.9% YoY growth to Rs.5348.9cr in Q1FY27 driven by low teens volume growth of 13% YoY in the India branded business.
- The India Tea/coffee business reported volume growth of 2%. Growth in the category was impacted due to unusually strong summer season. Revenue witnessed 4% YoY decline to Rs.1234cr as the company continued to pass on the lower tea costs to consumers. Meanwhile, coffee continued to witness robust double-digit growth of 24% YoY during Q1FY27.
- India Salt witnessed 7% YoY revenue growth led by 7% YoY volume growth to Rs.1090cr in Q1FY27. The company took calibrated price hikes during the quarter and expects the impact of the same to flow in from next 1 or 2 quarters. Value added salts volumes grew by 13% YoY in Q1FY27.
- Innovation and premiumisation across the portfolio aided 35% volume growth and 41% YoY revenue growth in the RTD category.
- New launches in the dry fruits and cold-pressed oils as well strong category presence in the spices led to strong revenue growth of 58% YoY in Tata Sampann. Led by better realisation in dry fruits and increasing salience of value-added products such as cold-pressed oil, Tata Sampann witnessed margin expansion of 150-200bps YoY during Q1FY27.
- Capital Foods reported strong growth of 40% YoY in revenues to Rs.232cr while Organic India reported 27% YoY growth to Rs.118cr during the quarter. Category growth was driven by widening the addressable market as demand for convenience and health foods continue to sustain. Focused GTM restructuring along with improved distribution channels aided growth for the category. The category witnessed good growth across both domestic and export markets during the quarter.
- **Growth businesses** continued to scale at accelerated pace with 47% YoY revenue growth in Q1FY27 to Rs.1314cr. Broad based performance was witnessed with Tata Sampann (+58% YoY growth), Soulful recording 45% YoY revenue growth. Capital foods recovered sequentially while Organic India continued to report double-digit growth. Innovations continued to be key driver of the category during the quarter. The growth business now forms 36% of India business higher than the management's guided range of 30%. It has expanded by ~800bps YoY from 28% to 36% reinforcing the scale of this business segment.
- International business witnessed 3% YoY CC growth while adjusted for forex witnessed 16% YoY growth to Rs.1245cr in Q1FY27. Normalisation in coffee prices helped scale in US business which delivered 7% constant currency growth (CC growth). Intense summer impacted UK business which declined 2% YoY (CC basis) while Canada business also witnessed flat growth due to unusually strong summer in Q1FY27.
- Lower coffee prices impacted the unbranded business which witnessed 10% YoY decline in revenues to Rs.498cr. Solubles revenues declined 12% YoY and Plantation revenues declined 8% YoY. Overall business was impacted due to lower coffee realisations; robusta coffee prices witnessed 26% decline while proactive hedging helped the company mitigate lower coffee prices.
- **Tata Starbucks** reported 11% YoY revenue growth during the quarter backed by strong same store sales growth with operating leverage helping drive margin expansion. The company opened 4 new stores with total store count at 498 as of Q1FY27.

- Consolidated gross margins witnessed 257bps YoY improvement to 42.7%. India business reported 173bps YoY expansion in gross margins to 34.5% led by correction in tea prices. International business also contributed towards expansion in consolidate gross margins as coffee prices moderated during the quarter.
- EBITDA margins for the quarter witnessed 84bps YoY expansion to 13.5% in Q1FY27. India business margins were largely stable and international business margins recovered due to scale in US business led by lower coffee prices during the quarter. Unbranded business margins were impacted by lower realisations. EBITDA grew by 19.3% YoY to Rs.724.1cr.
- Good operating performance coupled with higher other income helped the company report 26% YoY growth in Adjusted PAT to Rs.468.4cr in Q1FY27.

Exhibit 1: Q1FY27 Consolidated result snapshot (₹ crore)

Particular	Q1FY27	Q1FY26	y-o-y (%)	Q4FY26	q-o-q (%)
Total Revenue	**5348.9**	**4778.9**	**11.9**	**5433.6**	**-1.6**
Raw material cost	3066.9	2862.7	7.1	3191.4	-3.9
Employee cost	445.8	385.6	15.6	434.2	2.7
Other expenses	1112.0	923.6	20.4	1015.7	9.5
Total operating cost	4624.7	4172.0	10.9	4641.2	-0.4
Operating profit	**724.1**	**606.9**	**19.3**	**792.4**	**-8.6**
Other income	71.9	41.2	74.7	52.6	36.9
Interest & other financial cost	39.1	33.8	15.8	38.4	1.7
Depreciation	109.8	93.9	16.9	110.2	-0.4
Profit Before Tax	**647.2**	**520.4**	**24.4**	**696.4**	**-7.1**
Tax	161.1	133.3	20.9	166.0	-3.0
Adjusted PAT before share of profit from associates/JV	**486.1**	**387.1**	**25.6**	**530.4**	**-8.3**
Minority Interest (MI)/ Profit from associates	-17.7	-14.7	20.3	-67.2	-73.7
Adjusted PAT after MI	**468.4**	**372.5**	**25.8**	**463.2**	**1.1**
Extra-ordinary items	-41.3	-40.7	-	-39.2	-
Reported PAT	**427.2**	**331.8**	**28.8**	**424.0**	**0.7**
Adjusted EPS (Rs.)	4.3	3.4	28.8	4.3	0.7
Margins	**Q1FY27**	**Q1FY26**	**bps**	**Q4FY26**	**bps**
GPM (%)	42.7	40.1	257	41.3	140
OPM (%)	13.5	12.7	84	14.6	-105
NPM (%)	9.1	8.1	99	9.8	-67
Tax rate (%)	24.9	25.6	-72	23.8	105

Source: Company, ICICI Direct Research

Exhibit 2: Q1FY27 Revenue breakup (Rs.cr)

Particulars	Revenue	Value. Growth	vol. growth
India Tea/Coffee	1234.0	-4%	2.0%
India Salt	1090.0	7%	7.0%
Growth Business	1313.9	47%	-
International Business	1244.1	16%	-
Unbranded Business	497.1	-7%	

Source: Company, ICICI Direct Research

Exhibit 3: Q1FY27 Segment Revenue (Rs.cr)

Particular	Q1FY27	Q1FY26	Y-o-Y (%)	Q4FY26	Q-o-Q (%)
India Business	3540.3	3125.7	13.3	3327.9	6.4
International Business	1342.8	1145.2	17.3	1418.1	-5.3
Total branded business	**4883.1**	**4270.9**	**14.3**	**4746.0**	**2.9**
Non-branded business	497.6	535.8	-7.1	714.4	-30.3
Others / Unallocated item	11.5	10.3	11.5	8.4	36.3
Less: Inter-segment sales	-43.3	-38.1	13.9	-35.2	23.1
Total	**5348.9**	**4778.9**	**11.9**	**5433.6**	**-1.6**

Source: Company, ICICI Direct Research

Q1FY27 Earnings call highlights

- Double-digit revenue growth guidance retained; Growth business to remain the key growth driver

    - The management retained its guidance of double-digit revenue growth with quarterly growth rates expected to fluctuate between low double-digits and mid-teens depending on seasonality. It expects matured business such as Tea and Salt to report mid-single digit growth while growth business will continue to remain primary growth driver supported by innovation, premiumisation and category expansion and GTM initiatives.

    - Growth business now account for 36% of the India business highlighting the changing portfolio mix. The management believes Tata Sampann, NourishCo, Capital Foods, Organic India and Tata Soulfull remain significantly underpenetrated and have high headroom for growth ahead. Overall, the growth shall be supported by scale in Growth business while matured business are expected to continue growing at stable rates ahead.

- **FY27 EBITDA margin expansion guidance of 50-70bps retained; pricing, premiumisation and operating leverage to drive profitability**

    - The management maintained its guidance of 50-70bps margin expansion in FY27. India business margins during the quarter largely remained stable, international business margins also recovered led by lower input costs and scale of US business. Largely, gross margins flow through to EBITDA margins were impacted due to higher A&P spends, lower margins in the unbranded business.
    - Margin expansion will primarily be driven through (i) calibrated price hikes across tea, salt and other categories to offset commodity inflation, (ii) favourable mix from faster-growing higher-margin businesses (iii) lower coffee prices benefiting the U.S. branded business, (iv) operating leverage as Growth Businesses continue to scale and (v) continued productivity and cost-saving initiatives across the organization.
    - The management reiterated its long-term aspiration of steadily moving towards structurally higher margins as premium categories increase their contribution and operating leverage improves across the portfolio.

- Tea margins to remain protected through calibrated price hikes; Coffee to sustain healthy growth ahead

    - The management reiterated its mid-single digit volume growth guidance for the India Tea business despite Q1 being impacted by an unusually prolonged summer and LPG shortages affecting out-of-home tea consumption. The company expects demand to normalize over the coming quarters, while coffee continues to remain one of the fastest-growing categories within the beverage's portfolio.

- Further, the management also highlighted that the Tea business structurally operates at gross margins of around 33-35% (up to ~36%). Tea procurement costs are currently witnessing 7-10% inflation, and the company has already implemented calibrated price hikes across key brands during June. Should inflation sustain ahead, further pricing actions will be undertaken to maintain gross margins while balancing competitiveness and market share.

- On procurement, management indicated that it is still early in the annual buying season, with only a small portion of procurement completed. While current auction prices indicate 7-10% inflation, the peak crop season has only recently commenced, and the crop outlook currently appears encouraging. Accordingly, management prefers to wait another 15-30 days before taking a view on tea cost trends and deciding on further pricing actions. Inflation has largely been concentrated in the lower-end tea portfolio, while premium tea costs have remained relatively stable.

- **Revenue growth guidance of 30%+ retained for Growth business**

    - The management maintained its 30% medium-term revenue growth guidance for the Growth Businesses portfolio. It believes investments across innovation, advertising, dedicated sales teams and distribution are now beginning to translate into stronger execution, while the runway across Growth Businesses remains long.
    - **Tata Sampann** is expected to scale at 30% revenue growth ahead, with core categories such as pulses, spices, poha and vermicelli continuing to grow around 30%, while newer categories including cold-pressed oils and dry fruits provide incremental growth. Margin expansion is expected to continue through premiumization and operating leverage.
    - **RTD Beverages** shall be driven by Tata Gluco+, Tata Copper Water, premium RTD tea & coffee and value-added hydration products, supported by capacity expansion, wider distribution and continued innovation. Capacity additions are being accelerated to address higher-than-expected demand.
    - **Capital Foods** is expected to grow at 25-30% ahead supported by dedicated GTM teams, higher media investments, innovation across Korean noodles, chilli oils and new adjacent categories, along with continued premiumization. Export business is also witnessing revival after muted quarters on sequential basis.
    - Tata Soulfull plans multiple premium product launches over the next 3-6 months, with protein-based offerings receiving encouraging consumer response. Future growth will continue to be driven by modern trade, quick commerce and e-commerce expansion.

- **Steady growth expected in international business with normalisation of coffee prices**

    - The management remains positive on the international business, expecting steady growth supported by continued market share gains in the U.S., expansion of specialty tea portfolios across the U.K. and Canada, and improving profitability from lower coffee costs. Temporary weather-related weakness witnessed during Q1 is not expected to materially impact the medium-term growth trajectory.

- Margin improvement is expected to be driven by normalization in coffee prices benefiting the larger U.S. branded business, favourable product mix. It also highlighted that lower coffee prices remain a net positive for the consolidated business as the branded U.S. coffee business is larger than the non-branded coffee operations.

- **Unbranded business to remain volatile ahead linked to coffee prices**

  - Management expects the non-branded coffee business to remain linked to global coffee price movements. While revenues may remain under pressure as coffee prices normalize, profitability impact should remain limited given the largely pass-through nature of the business. Proactive hedging is expected to mitigate commodity volatility, while lower coffee prices remain favourable for the consolidated portfolio owing to the larger branded U.S. coffee business.

Revision in earnings estimates

We have broadly maintained our earnings estimate for FY27E and FY28E. Any significant inflation in the domestic tea and international coffee prices would act as a key risk to our earning estimates in the quarters ahead.

Exhibit 4: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	23083.3	22987.6	-0.4	25885.7	25799.7	-0.3
EBIDTA	3366.6	3345.1	-0.6	3943.9	3924.1	-0.5
EBIDTA Margins (%)	14.6	14.6		15.2	15.2	
PAT	2077.0	2067.6	-0.5	2524.2	2516.0	-0.3
EPS (Rs.)	21.0	20.9	-0.5	25.5	25.4	-0.3

Source: Company, ICICI Direct Research

Exhibit 5: Key Operating Assumptions

Particulars	FY24	FY25	FY26	FY27E	FY28E
India beverage business (a+b+c)	5416.0	5974.0	6467.0	7071.7	7820.1
YoY (%)	7.2	10.3	8.3	9.4	10.6
Packaged beverage (a)	4588.0	4764.0	5070.5	5326.1	5677.6
YoY (%)	3.6	3.8	6.4	5.0	6.6
Ready to Drink (RTD) (b)	828.0	835.0	918.5	1148.1	1377.8
YoY (%)	33.3	0.8	10.0	25.0	20.0
Organic India (C)	0.0	375.0	478.0	597.5	764.8
YoY (%)	-	-	27.5	25.0	28.0
India Foods (d + e)	4314.0	5569.0	6588.0	7989.5	9366.0
YoY (%)	17.7	29.1	18.3	21.3	17.2
India Foods - Foods & Sampann (d)	4230.0	4770.0	5749.0	6898.8	8002.6
YoY (%)	15.4	12.8	20.5	20.0	16.0
Capital Foods (e)	84.0	799.0	839.0	1090.7	1363.4
YoY (%)	-	-	5.0	30.0	25.0
International business	3925.0	4215.1	4885.0	5520.1	5906.5
YoY (%)	9.4	7.4	15.9	13.0	7.0
Non-branded & Others	1550.8	1860.2	2350.4	2456.4	2757.1
YoY (%)	4.9	19.9	26.4	4.5	12.2
Total Revenues	**15205.8**	**17618.3**	**20290.4**	**23037.6**	**25849.7**
YoY (%)	10.3	15.9	15.2	13.5	12.2

Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**17618.3**	**20290.4**	**22987.6**	**25799.7**
Growth (%)	15.9	15.2	13.3	12.2
Raw Material Expenses	10069.3	11855.6	13068.4	14576.8
Gross Profit	7549.0	8434.8	9919.1	11222.9
Gross Profit Margins (%)	42.8	41.6	43.2	43.5
Employee Expenses	1430.1	1661.0	1827.1	2009.8
Advertisement expenses	1233.3	0.0	1724.1	1935.0
Other Expenditure	2406.3	3982.0	3022.9	3354.0
Total Operating Expenditure	15139.0	17498.6	19642.5	21875.6
EBITDA	**2479.4**	**2791.8**	**3345.1**	**3924.1**
Growth (%)	8.5	12.6	19.8	17.3
Interest	290.2	137.0	148.3	116.4
Depreciation	380.7	406.7	431.3	452.6
Other Income	193.3	164.8	173.3	176.2
PBT	2001.7	2412.8	2938.9	3531.4
Less Tax	531.5	596.9	821.3	975.4
Adjusted PAT	1470.2	1815.9	2117.6	2556.0
Growth (%)	-4.7	23.5	16.6	20.7
Minority Interest/Profit or loss from Associates	-93.2	-90.7	-50.0	-40.0
Adjusted PAT (after share of profits)	**1377.0**	**1725.2**	**2067.6**	**2516.0**
Exceptional item - gain / (loss)	-89.9	-178.4	-162.8	-162.8
Reported PAT	**1287.1**	**1546.8**	**1904.8**	**2353.2**
Growth (%)	5.9	20.2	23.1	23.5
EPS (Adjusted)	13.9	17.4	20.9	25.4
Total Operating Income	**17618.3**	**20290.4**	**22987.6**	**25799.7**

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	1276.9	1651.1	1944.2	2379.8
Add: Depreciation & Amortization	380.7	406.7	431.3	452.6
Add:Other income	193.3	164.8	173.3	176.2
Net Increase in Current Assets	-1624.2	-317.3	-1108.6	-943.6
less: 'Net Increase in Current Liabilities	-759.0	-442.5	-638.2	-593.1
CF from Operating activities	**985.7**	**2347.8**	**2078.4**	**2658.1**
Investments & Bank bal	238.0	-1048.2	-9.2	-33.8
(Purchase)/Sale of Fixed Assets	-488.9	-895.2	-250.0	-250.0
Intangible assets& goodwill	-2028.9	-327.9	0.0	0.0
CF from Investing activities	**-2279.8**	**-2271.3**	**-259.2**	**-283.8**
(inc)/Dec in Loan	-1155.0	237.9	-1200.0	-500.0
Change in equity & reserves	3325.1	972.3	-170.8	-159.5
Dividend paid	-841.1	-989.6	-791.7	-791.7
Deferred tax liability & others	371.4	23.6	21.6	23.8
CF from Financing activities	**1700.4**	**244.1**	**-2140.8**	**-1427.4**
Net Cash Flow	406.3	320.6	-321.6	946.9
Cash and Cash Equivalent	2319.7	2725.9	3046.5	2724.9
Cash	**2725.9**	**3046.5**	**2724.9**	**3671.8**
Free Cash Flow	691.4	1250.2	2123.9	1421.2

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	99.0	99.0	99.0	99.0
Reserve and Surplus	19902.1	21688.6	22801.7	24363.2
Total Shareholders' funds	20001.1	21787.5	22900.6	24462.2
Minority Interest	1389.2	1401.3	1443.4	1486.7
Total Debt	4316.1	4554.0	3354.0	2854.0
Deferred Tax Liability	2187.38	2199.44	2199.44	2199.44
Long-Term Provisions	204.9	216.4	238.1	261.9
Total Liabilities	**28098.7**	**30158.7**	**30135.5**	**31264.1**
Gross Block - Fixed Assets	4410.3	4949.1	5199.1	5449.1
Accumulated Depreciation	1836.1	2139.6	2570.9	3023.4
Net Block	2574.1	2809.6	2628.3	2425.7
Capital WIP	206.8	459.9	459.9	459.9
Fixed Assets	2780.9	3269.5	3088.2	2885.6
Goodwill & Other intangible assets	18689.0	19016.9	19016.9	19016.9
Investments	890.0	1656.2	1689.3	1723.1
Inventory	3599.9	3526.8	4408.6	4947.9
Debtors	869.8	1148.3	1133.6	1272.3
Other Current Assets	1586.8	1370.9	1508.0	1658.8
Loans & Advances	716.1	1043.9	1148.3	1263.1
Cash	2725.9	3046.5	2724.9	3671.8
Bank balance / Current investments	91.9	373.9	350.0	350.0
Total Current Assets	9590.5	10510.3	11273.4	13163.9
Creditors	3508.4	3875.3	4471.6	5018.6
Provisions	150.2	186.3	204.9	225.4
Other Current Liabilities	193.2	232.7	255.9	281.5
Total Current Liabilities	3851.8	4294.2	4932.4	5525.5
Net Current Assets	5738.7	6216.1	6341.0	7638.4
Application of Funds	**28098.7**	**30158.7**	**30135.5**	**31264.1**

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (I)				
Adjusted EPS	13.9	17.4	20.9	25.4
Cash EPS	18.7	22.5	25.8	30.4
BV per share	202.1	220.2	231.4	247.2
Operating Ratios (%)				
Gross Profit Margins	42.8	41.6	43.2	43.5
OPM	14.1	13.8	14.6	15.2
Adjusted PAT Margins	7.8	8.5	9.0	9.8
Asset Turnover (x)	1.5	1.7	1.9	2.1
Return Ratios (%)				
RoE	7.1	7.7	8.7	10.0
RoCE	7.7	8.5	9.9	11.7
RoCE (excluding goodwill)	14.6	11.0	12.8	14.7
RoIC	10.1	11.0	12.7	14.9
Valuation Ratios (x)				
P/E	79.8	63.7	53.1	43.7
EV / EBITDA	44.9	39.8	32.9	27.7
EV / Net Sales	6.3	5.5	4.8	4.2
Market Cap / Sales	6.2	5.4	4.8	4.3
Solvency Ratios				
Debt / Equity	0.2	0.2	0.1	0.1
Inventory days	75	63	70	70
Debtor days	18	21	18	18
Creditor days	73	70	71	71
WC Days	20	14	17	17

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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