Tata Consumer Products (TATGLO)

CMP: ₹1000 | Target ₹ 1,220 (22%) | Target Period: 12 months | BUY

October 27, 2026

Growth business continues to fire; Margins to remain high YoY

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.

Q2FY27 performance: TCPL's consolidated revenues grew by 14% YoY to Rs.5,661.1cr driven by 11% YoY volume growth in the India business. International business grew by 7% YoY while unbranded business revenue grew by 12% YoY in Q2FY27. Gross margins declined by 41bps YoY to 41.7% led by favourable tea prices. EBITDA margins improved 31bps YoY to 13.8%. EBITDA grew by 16.6% YoY to Rs.783.2cr. Adjusted PAT grew by 15.6% YoY to Rs.516.9cr.

Investment Rationale:

India beverages business revenues stood flat, price hikes will drive value growth; Tata Salt continues to perform well: India Tea/Coffee business revenues declined by 1% (sales volume stood flat) better than negative 4% in Q1FY27. Price hikes undertaken aided to narrow the volume-value gap during the quarter. With 8% price hike undertaken in the tea portfolio, the company expects India Tea/Coffee business value growth to be ahead of volume growth in H2. Management has maintained mid-single revenue growth guidance for India tea/coffee business in the medium term. Tata Salt revenues grew by 15% YoY, driven by 9% volume growth and 6% realisation in Q2FY27. Value-added salts are gaining strong traction and registered volume growth of 17%. The company has undertaken another round of 5-6% price in its salt portfolio in Oct,26. Hence we expect Tata Salt revenues to continue to grow in double digits in H2. However, in the medium term the management has maintained its high single digit revenue growth guidance for salt business.

Growth businesses – another strong quarter with 40%+ growth: Growth businesses maintained the sturdy growth momentum with revenues growing by 40% YoY to Rs1,438cr. Its saliency to India business improved to 38% in Q2FY27 from 32% in Q2FY26. Tata Sampann revenues grew by 57% with core portfolio of pulses, grains and spices growing at 30% while new additions such as dry fruits and cold press oil together clocking annual revenue run-rate (ARR) of Rs1,000cr. Tata Sampann will continue to grow 30%+ on back of distribution expansion (especially on e-commerce/modern trade). Extreme weather conditions aided Ready-To-Drink (RTD) beverages revenues to grow by 47% (driven by 34% volume growth). Capital Foods and Organic Foods delivered 18% and 9% revenue growth respectively in Q2FY27 with export business affected by lower shipments. Domestic business for both brands grew in upwards of 20%. Management is confident of business regaining 20%+ revenue growth in the coming quarters. Overall growth businesses saliency will consistently improve and would support overall margins in the coming years.

Management confident of achieving YoY improvement in the EBIDTA margins: TCPL's standalone business EBIDTA margin was affected by inflated raw tea, raw salt and packaging cost. The company has taken 8% price hike in its domestic tea portfolio and 6% price hike in Tata Salt, which will cover near term raw material inflation. This along with strong growth in the "growth businesses" will help consolidated EBIDTA margins to remain higher YoY in H2FY27. Overall, consolidated EBIDTA margins will be 50-60bps higher on YoY basis in FY27.

Rating and Target Price: We recommend **Buy** with a revised **price target of Rs.1,220 (valuing at 45x its average of FY28-29E EPS of Rs27.1).**

TATA CONSUMER PRODUCTS LIMITED

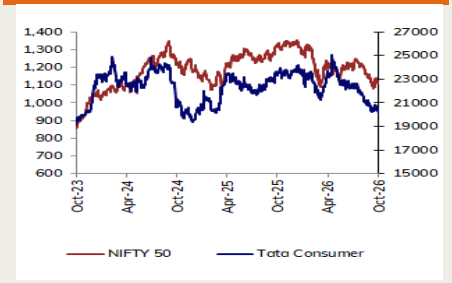
Particulars

Particular	Amount
Market Capitalisation (₹ crore)	98,960
Debt (FY26) -₹ crore	4,554
Cash (FY26) - ₹ crore	3,420
EV (Rs crore)	1,10,979
52-week H/L (₹)	1,283 / 916
Equity capital (₹ crore)	99.0
Face value (₹)	1.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	33.8	33.8	33.8	33.8
FII	21.2	21.2	20.1	19.8
DII	23.5	23.5	25.0	25.3
Others	21.5	21.5	21.1	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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Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2 year CAGR (FY24-26)	FY27E	FY28E	FY29E	3 year CAGR (FY26-29E)
Revenues	15205.9	17618.3	20290.4	15.5	22987.7	26117.7	29623.8	13.4
EBIDTA	2284.1	2479.4	2791.8	10.6	3296.6	3843.5	4443.0	16.8
EBIDTA Margins (%)	15.0	14.1	13.8		14.3	14.7	15.0	
Adjusted PAT	1457.4	1377.0	1725.2	8.8	2035.4	2458.7	2908.0	19.0
EPS (Rs.)	14.7	13.9	17.4		20.6	24.8	29.4	
PE (x)	65.4	71.9	57.4		48.6	40.2	34.0	
EV to EBIDTA (x)	44.5	40.5	35.9		30.1	25.5	21.7	
RoE (%)	8.4	7.1	7.7		8.6	9.8	10.9	
RoCE (%)	9.2	7.7	8.5		9.8	11.5	13.1	

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- TCPL reported strong consolidated revenue growth of 14% YoY to Rs.5661.1cr in Q2FY27 driven by double digit volume growth of 11% YoY in the India branded business.
- **India tea/coffee** business revenue declined by 1% to Rs.1244cr impacted by subdued demand in overall category due to unfavourable weather conditions. Volume growth remained flat amid price increases taken during the quarter.
- **India Salt** witnessed 15% YoY revenue growth to Rs.1099cr driven by 9% YoY volume growth and 6% price-led growth. The company took calibrated price hikes during the quarter and expects the impact of the same to flow in from Q3FY27. Value added salts volumes grew by 17% YoY in Q2FY27.
- **Growth businesses** continued to scale at strong pace with 40% YoY revenue growth in Q2FY27 to Rs.1438cr. Strong growth was witnessed across the portfolio including Tata Sampann (+57% YoY growth), RTD (+47% YoY), Capital foods and Organic India (+15% YoY). Innovations continued to be key driver of the category during the quarter. The growth business now forms 38% of India business, expanded by ~600bps YoY (+ 200bps QoQ) from 32% in Q2FY26 to 38% in Q2FY27.
- Tata Sampann continued to deliver strong growth of 57% YoY led by strong growth in dry fruits and cold-pressed oils along with new launches such as Himalayan ghee. Dry fruits and cold-pressed oils combined ARR crossed Rs.1000cr. Growth was supported by strong traction in Quick commerce.
- Ready-to-drink (RTD) witnessed 47% revenue growth driven by 34% volume growth and calibrated pricing actions. Growth was supported by innovation and premiumisation across the portfolio with healthy growth in Tata Gluco.
- Capital Foods reported revenue growth of 18% YoY to Rs.264cr while Organic India reported 9% YoY growth to Rs.145cr. While India business delivered combined growth of 24% YoY led by innovations, overall growth was impacted by international business of capital Foods and Organic India. International business was impacted shipping disruptions in Mundra Port (Middle East).
- **International business** growth declined by 2% YoY (in CC terms) while adjusted for forex witnessed 7% YoY growth to Rs.1256cr in Q2FY27. US business delivered 4% CC growth driven by 6% CC growth in coffee. Growth was supported by softening coffee prices and distribution expansion. UK business declined 8% YoY (in CC terms) impacted by heatwaves while Canada business reported 8% CC growth in Q2FY27.
- **Unbranded business** witnessed 9% YoY CC growth to Rs.659cr. Solubles business reported 23% YoY CC growth driven by volume growth of 21% led by strong execution across operations and logistics. However, growth in solubles business was offset by Plantation business in which revenues declined by 11% YoY due to lower coffee prices impacting realisations.
- **Tata Starbucks** reported 15% YoY revenue growth during the quarter backed by strong same store sales growth. The company opened 7 new stores with total store count at 505 as of Q2FY27.
- Consolidated gross margin declined by 41bps YoY to 41.7% due to high inflation in the domestic raw tea prices and packaging cost. India business (Standalone) gross margin declined by 130bps YoY 32.7% amid inflation across portfolio, primarily in tea

and salt and increase in packaging cost. International business margins were better led by favourable coffee prices.

- EBITDA margins for the quarter witnessed 31bps YoY expansion to 13.8% in Q2FY27 led by lower ad spends and other expenses. India business (Standalone) margins declined by 67bps YoY to 11.5% due to inflation in tea/salt prices and higher employee cost. International business margins, especially US business, supported overall margins led by lower coffee prices during the quarter. Unbranded business margins also recovered on the back of strong performance in solubles business. Consolidated EBITDA grew by 16.6% YoY to Rs.783.2cr.
- Better operating performance coupled with lower interest cost aided 15.6% YoY growth to Rs.516.9cr in Q2FY27. Reported PAT (adjusted for exceptional items) grew by 15.7% YoY to Rs.470.1cr

Exhibit 1: Q2FY27 Consolidated result snapshot (₹ crore)

Particular	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Total Revenue	**5661.1**	**4965.9**	**14.0**	**5348.9**	**5.8**
Raw material cost	3302.0	2876.3	14.8	3066.9	7.7
Employee cost	475.8	406.7	17.0	445.8	6.7
Other expenses	788.8	1011.1	-22.0	785.8	0.4
Total operating cost	4877.9	4294.1	13.6	4624.7	5.5
Operating profit	**783.2**	**671.8**	**16.6**	**724.1**	**8.2**
Other income	38.6	38.0	1.5	71.9	-46.4
Interest & other financial cost	25.7	33.2	-22.7	39.1	-34.3
Depreciation	108.8	98.3	10.7	109.8	-0.9
Profit Before Tax	**687.3**	**578.3**	**18.8**	**647.2**	**6.2**
Tax	173.3	140.5	23.3	161.1	7.6
Adjusted PAT before share of profit from associates/JV	**514.0**	**437.8**	**17.4**	**486.1**	**5.7**
Minority Interest (MI)/ Profit from associates	2.9	9.5	-69.2	-17.7	-116.5
Adjusted PAT after MI	**516.9**	**447.2**	**15.6**	**468.4**	**10.3**
Extra-ordinary items	-46.8	-40.7	-	-41.3	-
Reported PAT	**470.1**	**406.5**	**15.7**	**427.2**	**10.1**
Adjusted EPS (Rs.)	5.2	4.4	17	4.9	6
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	41.7	42.1	-41	42.7	-99
OPM (%)	13.8	13.5	31	13.5	30
NPM (%)	9.1	8.8	26	9.1	-1
Tax rate (%)	25.2	24.3	91.0	24.9	32

Source: Company, ICICI Direct Research

Exhibit 2: Q2FY27 Revenue breakup (Rs.cr)

Particulars	Revenue	Value. Growth	vol. growth
India Tea/Coffee	1244.0	-1.0	0.0%
India Salt	1099.0	15.0	9.0%
Growth Business	1437.9	40.0	-
International Business	1255.1	7.0	-
Unbranded Business	658.1	12.0	-

Source: Company, ICICI Direct Research

Exhibit 3: Q2FY27 Segment Revenue (Rs.cr)

Particular	Q2FY27	Q2FY26	Y-o-Y (%)	Q1FY27	Q-o-Q (%)
India Business	3666.1	3122.2	17.4	3540.3	3.6
International Business	1370.2	1287.7	6.4	1342.8	2.0
Total branded business	**5036.3**	**4409.9**	**14.2**	**4883.1**	**3.1**
Non-branded business	658.8	590.2	11.6	497.6	32.4
Others / Unallocated item	12.2	11.5	5.7	11.5	6.2
Less: Inter-segment sales	-46.1	-45.7	1.0	-43.3	6.4
Total	**5661.1**	**4965.9**	**14.0**	**5348.9**	**5.8**

Source: Company, ICICI Direct Research

Exhibit 4: Q2FY27 Segment PBIT (Rs.cr)

Particular	Q2FY27	Q2FY26	Y-o-Y (%)	Q1FY27	Q-o-Q (%)
India Business	408.5	241.6	69.1	394.0	3.7
International Business	182.1	157.3	15.8	175.2	3.9
Total branded business	**590.6**	**398.9**	**48.1**	**569.2**	**3.8**
Non-branded business	97.5	112.0	-12.9	49.1	98.7
Total PBIT	**688.2**	**510.9**	**34.7**	**618.2**	**11.3**

Source: Company, ICICI Direct Research

H1FY27 – Key Performance highlights

- Consolidated revenue reported 13% YoY growth to Rs.11010cr in H2FY27. Growth remained broad based across all categories.
- India branded business reported 15.6% YoY growth driven by double digit volume growth and strong traction across growth business portfolio.
- India Tea/coffee business revenue declined by 2.5% YoY impacted by weather conditions and LPG disruptions in Q1FY27. India salt grew by 11% YoY driven by high single digit volume growth and calibrated pricing actions.
- Growth business delivered 43.3% YoY growth to Rs.2752cr with strong growth across portfolio. Tata Sampann grew by 57.4% YoY led by strong performance in dry fruits, cold pressed oils, core pulses and spices. RTD, Capital Foods and Organic India delivered growth of 43.5%, 27.5% and 16.4% respectively.
- International Business grew 11% YoY (flat in CC terms) to Rs.2501cr. UK business was impacted by heatwaves while US business scaled with strong distribution and softening coffee prices.
- Unbranded business grew by 3% YoY to Rs.1157cr. Plantations business was impacted by lower coffee prices while solubles business delivered healthy performance.

- Consolidated gross Margins expanded by 105bps YoY to 42.2% in H1FY27. India business (Standalone) gross margins improved by 19bps YoY to 33.6%. This was led by margin expansion in Q1FY27 due to lower tea prices, however offset by higher tea prices in Q2FY27. International business delivered better margins led by lower coffee prices.
- Consolidated EBITDA margins expanded by 57bps YoY to 13.7%. India business EBITDA margins stood flat at 11.7% in H2FY27. Consolidated EBITDA grew by 18% YoY to Rs1507.4cr.
- Adjusted PAT grew by 20.2% YoY to Rs.985.4cr. Reported PAT (after extraordinary items) reported 21.5% YoY growth to Rs.897.3cr in H2FY27.

Q2FY27 Earnings call highlights

- **Demand and operating environment**
  - The tea industry witnessed softer quarter with industry revenues witnessing ~6% decline. This was due to extended summer, continued heatwaves and lower rainfall across the country. Structural demand for tea remains intact. The management expects winter to lead the demand recovery over the medium term.
  - The management does not see structural concerns for tea, given India's low per-capita consumption and the fact that ~30% of the industry remains unbranded.
  - The management expects the upcoming peak season to support tea demand in India, while the onset of winter should benefit the international tea business. Q3 and Q4 are also the peak festive and offtake periods for Capital Foods.
  - Tea and salt continued to face raw material inflationary pressures, while pricing actions taken across these categories are yet to be fully reflected in the P&L. Management indicated that tea price hike has broadly covered the inflation witnessed so far, with further margin recovery expected as the benefits flow through. Also price hikes undertaken are in-line with the industry trends.
  - The company is stregthening its distribution network in lieu of high demand. It has increased its direct reach to over 1.9mn retail outlets, with significant headroom for further expansion. The company is also deploying AI-led sales tools to improve outlet-level execution and redeploy sales resources towards expanding distribution.

- **FY27 EBITDA margin expansion guidance of 50-70bps retained; Long-term EBITDA margin target of 17% in India business**
  - Management retained its EBITDA margin guidance of 50–70bps expansion for FY27. Despite cost pressures during H1, management remains confident of delivering margin improvement on YoY basis in H2, supported by pricing actions, seasonal recovery and improving profitability across segments.
  - India business profitability was impacted by inflation in tea and salt. The management expects the calibrated price increases taken across categories to support margin recovery from Q3 onwards.
  - The management expects India business margins to improve to ~17% over the next 3 years. Capital Foods and Organic India margins are ~50% more than the core business margins. Tata Sampann is clocking ~14-15% margins (270-285bps YoY expansion in Q2FY27). The management also highlighted that it will continue to add more margin accretive value-added products to the portfolio which will help the margins improve structurally ahead.

- **Core business- Tea/coffee and Salt business to deliver mid to high-single digit growth**
  - **Tea business** volumes were flat during the quarter. Tea business was impacted by extended summer season and heatwaves across the country. Further, the management highlighted that tea prices have also witnessed inflation due to which it has taken price hikes in the portfolio.
  - The management has highlighted it has taken ~8% price hikes in its tea portfolio led by inflation in raw tea prices. As a result, volumes witnessed dip in Q2FY27. This has also led to reduction in the volume value gap in the tea business. India tea volumes were flat YoY in Q2FY27, while revenue declined marginally by 1%, compared with 2% volume growth and 4% revenue decline in Q1FY27.
  - The management expects tea volumes to return to low-to-mid-single-digit growth ahead aided by onset of seasonally strong period of winter in India and launch of newer value-added products.
  - The management highlighted that it has taken all the price hikes taken to offset inflation. It expects majority of the pricing actions to follow in Q3FY27 which will help in margin recovery. It also pointed towards industry wise favourable pricing actions will help in margin recovery and achieve stable sales volume.
  - **In Salt business,** the management highlighted that it has taken price hike of ~6% to offset the inflation in the category. While price was taken, volumes have been largely maintained. Despite the price hikes, Salt business has maintained leading market share of ~39-40%.
  - The management expects volume growth to be in mid-single digits. Margin recovery in the salt business shall be supported by pricing actions taken during the quarter.
  - Value-added and premium salts continue to grow at approximately 2x the rate of the base salt business, increasing their contribution to the overall portfolio.

- **Growth business to sustain 30% growth**
  - **Tata Sampann:** Management expects Tata Sampann portfolio to grow at around 30% over the medium term. Newly launched Dry Fruits and Cold Press Oil are doing combined ARR of Rs1000cr.
  - Tata Sampann's growth is driven by strong traction in quick commerce and its categories generally hold No.1 or No.2 positions across platforms.
  - Management highlighted that the company would focus on adding margin accretive value-added products to the portfolio. This along with scale benefits will help Tata Sampann's margin to expand ahead.
  - Tata Sampann's margins are currently at ~14%-15% range (+270-280bps YoY expansion in Q2FY27).
  - **Tata Soulfull** is expected to grow by 25–30% ahead supported by expansion in muesli, protein-based breakfast cereals and premium snacking products.
  - **Capital Foods and Organic India:** International performance was affected by shipping disruptions, including around 10–12 days of disruption at Mundra Port in early September. Management expects some recovery in Q3FY27 as shipments catch up.
  - Management reiterated 25–30% growth for Capital Foods and Organic India going forward led by consistent performance in domestic business and recovery in exports.
  - **RTD:** Growth was supported by favourable weather conditions and a recovery in Tata Gluco+ in last two quarters.

- Management expects the business to sustain growth of around 30%, supported by a robust value proposition in the Rs. 10 price point.

- **International Business:** UK business was affected by heatwaves. With weather conditions improving and the winter season approaching, management expects the business to recover. Management highlighted strong margin delivery in international business in Q2FY27 and expects growth and margin expansion to improve as seasonal conditions normalise.

- **Other highlights**
  - **Tata Starbucks:** Tata Starbucks's growth was supported by strong SSSG and store traffic increasing by approximately 10%.
  - **Ad spends:** Management clarified that visibility spend is now 5 reported separately; total A&P including visibility remains broadly at 6.3–6.5% of sales. Visibility investment is relatively higher for Sampann, reflecting its greater exposure to e-commerce and modern trade.

Revision in earnings estimates

We have marginally reduced our earnings estimates for FY27 and FY28 by 1.6% and 2.3% respectively to factor in little lower margins than earlier estimated. We have also introduced FY29 earnings estimates through this note.

Exhibit 5: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	22987.6	22987.7	0.0	25799.7	26117.7	1.2
EBIDTA	3345.1	3296.6	-1.5	3924.1	3843.5	-2.1
EBIDTA Margins (%)	14.6	14.3		15.2	14.7	
PAT	2067.6	2035.4	-1.6	2516.0	2458.7	-2.3
EPS (Rs.)	20.9	20.6	-1.6	25.4	24.8	-2.3

Source: Company, ICICI Direct Research

Exhibit 6: Key Operating Assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY29E
India beverage business (a+b+c)	5974.0	6467.0	7026.6	7794.7	8602.1
YoY (%)	10.3	8.3	8.7	10.9	10.4
Packaged beverage (a)	4764.0	5070.5	5273.3	5621.4	5934.7
YoY (%)	3.8	6.4	4.0	6.6	5.6
Ready to Drink (RTD) (b)	835.0	918.5	1194.1	1468.7	1835.9
YoY (%)	0.8	10.0	30.0	23.0	25.0
Organic India (C)	375.0	478.0	559.3	704.7	831.5
YoY (%)	-	27.5	17.0	26.0	18.0
India Foods (d + e)	5569.0	6588.0	8152.3	9834.0	11971.9
YoY (%)	29.1	18.3	23.7	20.6	21.7
India Foods - Foods & Sampann (d)	4770.0	5749.0	7128.8	8554.5	10436.5
YoY (%)	12.8	20.5	24.0	20.0	22.0
Capital Foods (e)	799.0	839.0	1023.6	1279.5	1535.4
YoY (%)	-	5.0	22.0	25.0	20.0
International business	4215.1	4885.0	5422.4	5801.9	6092.0
YoY (%)	7.4	15.9	11.0	7.0	5.0
Non-branded & Others	1860.2	2350.4	2386.4	2687.1	2957.8
YoY (%)	19.9	26.4	1.5	12.6	10.1
Total Revenues	**17618.3**	**20290.4**	**22987.7**	**26117.7**	**29623.8**
YoY (%)	15.9	15.2	13.3	13.6	13.4

Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: **Profit and loss statement** ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Total Operating Income	**20290.4**	**22987.7**	**26117.7**	**29623.8**
Growth (%)	15.2	13.3	13.6	13.4
Raw Material Expenses	11855.6	13355.8	15056.9	16989.3
Gross Profit	8434.8	9631.8	11060.9	12634.6
Gross Profit Margins (%)	41.6	41.9	42.4	42.7
Employee Expenses	1661.0	1910.2	2215.8	2503.8
Advertisement expenses	1359.5	1402.2	1606.2	1836.7
Other Expenditure	2622.5	3022.9	3395.3	3851.1
Total Operating Expenditure	17498.6	19691.1	22274.2	25180.9
EBITDA	**2791.8**	**3296.6**	**3843.5**	**4443.0**
Growth (%)	12.6	18.1	16.6	15.6
Interest	137.0	148.3	116.4	93.0
Depreciation	406.7	431.3	452.6	478.1
Other Income	164.8	178.4	179.3	216.8
PBT	2412.8	2895.4	3453.9	4088.7
Less Tax	596.9	810.0	955.2	1140.7
Adjusted PAT	1815.9	2085.4	2498.7	2948.0
Growth (%)	23.5	14.8	19.8	18.0
Minority Interest/Profit or loss from Associates	-90.7	-50.0	-40.0	-40.0
Adjusted PAT (after share of profits)	**1725.2**	**2035.4**	**2458.7**	**2908.0**
Exceptional item - gain / (loss)	-178.4	-162.8	-162.8	-162.8
Reported PAT	**1546.8**	**1872.6**	**2295.9**	**2745.2**
Growth (%)	20.2	21.1	22.6	19.6
EPS (Adjusted)	17.4	20.6	24.8	29.4
Total Operating Income	**20290.4**	**22987.7**	**26117.7**	**29623.8**

Source: Company, ICICI Direct Research

Exhibit 8: **Cash flow statement** ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit/(Loss) after taxation	1651.1	1907.0	2319.4	2731.2
Add: Depreciation & Amortization	406.7	431.3	452.6	478.1
Add:Other income	164.8	178.4	179.3	216.8
Net Increase in Current Assets	-317.3	-1108.6	-1020.3	-1220.4
less: 'Net Increase in Current Liabilities	-442.5	-638.2	-654.9	-732.7
CF from Operating activities	**2347.8**	**2046.3**	**2585.9**	**2938.3**
Investments & Bank bal	-1048.2	-9.2	-33.8	-476.9
(Purchase)/Sale of Fixed Assets	-895.2	-250.0	-250.0	-350.0
Intangible assets& goodwill	-327.9	0.0	0.0	0.0
CF from Investing activities	**-2271.3**	**-259.2**	**-283.8**	**-826.9**
(inc)/Dec in Loan	237.9	-1200.0	-500.0	-750.0
Change in equity & reserves	972.3	-170.8	-159.5	-158.2
Dividend paid	-989.6	-791.7	-890.6	-989.6
Deferred tax liability & others	23.6	21.6	23.8	26.2
CF from Financing activities	**244.1**	**-2140.8**	**-1526.3**	**-1871.6**
Net Cash Flow	320.6	-353.7	775.8	239.8
Cash and Cash Equivalent	2725.9	3046.5	2692.8	3468.6
Cash	**3046.5**	**2692.8**	**3468.6**	**3708.4**
Free Cash Flow	1250.2	2123.9	1520.1	1908.5

Source: Company, ICICI Direct Research

Exhibit 9: **Balance sheet** ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	99.0	99.0	99.0	99.0
Reserve and Surplus	21688.6	22769.5	24174.8	25930.3
Total Shareholders' funds	21787.5	22868.5	24273.7	26029.3
Minority Interest	1401.3	1443.4	1486.7	1531.3
Total Debt	4554.0	3354.0	2854.0	2104.0
Deferred Tax Liability	2199.44	2199.44	2199.44	2199.44
Long-Term Provisions	216.4	238.1	261.9	288.1
Total Liabilities	**30158.7**	**30103.3**	**31075.7**	**32152.1**
Gross Block - Fixed Assets	4949.1	5199.1	5449.1	5799.1
Accumulated Depreciation	2139.6	2570.9	3023.4	3501.5
Net Block	2809.6	2628.3	2425.7	2297.7
Capital WIP	459.9	459.9	459.9	459.9
Fixed Assets	3269.5	3088.2	2885.6	2757.6
Goodwill & other intangible assets	19016.9	19016.9	19016.9	19016.9
Investments	1656.2	1689.3	1723.1	1800.0
Inventory	3526.8	4408.6	5008.9	5681.3
Debtors	1148.3	1133.6	1288.0	1460.9
Other Current Assets	1370.9	1508.0	1658.8	1907.6
Loans & Advances	1043.9	1148.3	1263.1	1389.4
Cash	3046.5	2692.8	3468.6	3708.4
Bank bal / Current investments	373.9	350.0	350.0	750.0
Total Current Assets	10510.3	11241.3	13037.3	14897.6
Creditors	3875.3	4471.6	5080.4	5762.4
Provisions	186.3	204.9	225.4	248.0
Other Current Liabilities	232.7	255.9	281.5	309.7
Total Current Liabilities	4294.2	4932.4	5587.4	6320.1
Net Current Assets	6216.1	6308.9	7450.0	8577.5
Application of Funds	**30158.7**	**30103.4**	**31075.7**	**32152.0**

Source: Company, ICICI Direct Research

Exhibit 10: **Key ratios**

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
Adjusted EPS	17.4	20.6	24.8	29.4
Cash EPS	22.5	25.4	29.8	34.6
BV per share	220.2	231.1	245.3	263.0
Operating Ratios (%)				
Gross Profit Margins	41.6	41.9	42.4	42.7
OPM	13.8	14.3	14.7	15.0
Adjusted PAT Margins	8.5	8.9	9.4	9.8
Asset Turnover (x)	1.7	1.9	2.1	2.3
Return Ratios (%)				
RoE	7.7	8.6	9.8	10.9
RoCE	8.5	9.8	11.5	13.1
RoCE (excluding goodwill)	11.0	12.6	14.5	16.3
RoIC	11.0	12.6	14.6	16.9
Valuation Ratios (x)				
P/E	57.4	48.6	40.2	34.0
EV / EBITDA	35.9	30.1	25.5	21.7
EV / Net Sales	4.9	4.3	3.8	3.3
Market Cap / Sales	4.9	4.3	3.8	3.3
Solvency Ratios				
Debt / Equity	0.2	0.1	0.1	0.1
Inventory days	63	70	70	70
Debtor days	21	18	18	18
Creditor days	70	71	71	71
WC Days	14	17	17	17

Source: Company, ICICI Direct Research

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