

Tata Consumer Products

Estimate change



TP change



Rating change



Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	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			1Q	
Gross Sales	43,521	42,145	44,436	46,082	47,789	46,476	48,196	50,433	1,76,183	1,92,894	47,115	1
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	
EBITDA	6,674	6,263	5,647	6,210	6,069	6,422	7,315	7,700	24,794	27,506	6,115	-1
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	
PBT before EO expense	4,650	4,242	4,081	4,844	4,654	5,137	6,030	6,435	17,817	22,256	4,715	
Extra-Ord expense	-171	-272	-62	453	0	0	0	0	-51	0	0	
PBT	4,479	3,971	4,019	5,297	4,654	5,137	6,030	6,435	17,766	22,256	4,715	
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	
Reported PAT	2,903	3,644	2,789	3,449	3,342	3,798	4,309	4,237	12,785	15,686	3,303	
Adj PAT	3,031	3,848	2,835	3,109	3,342	3,798	4,309	4,237	12,823	15,686	3,303	1
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

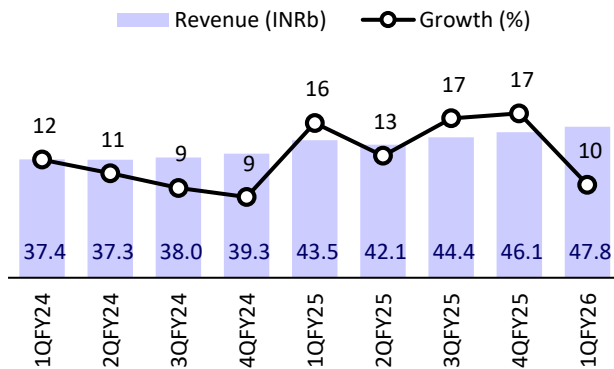


Exhibit 2: Consolidated EBITDA trend

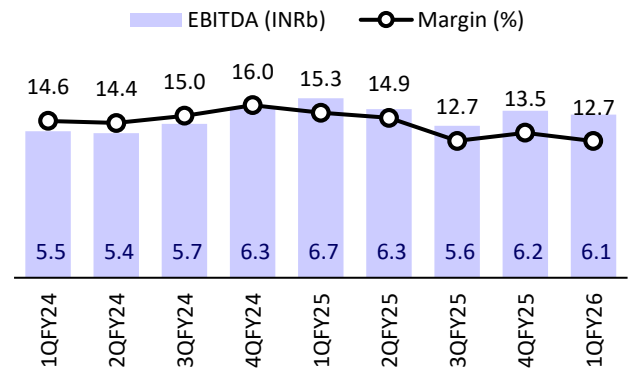
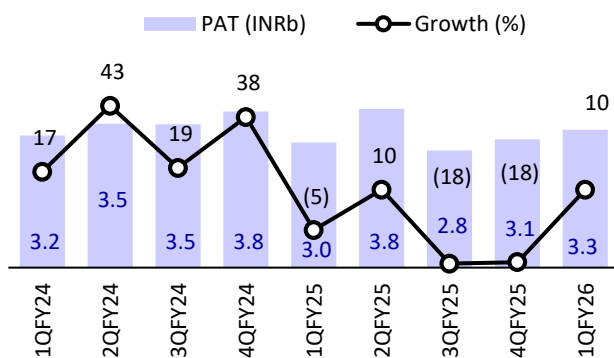
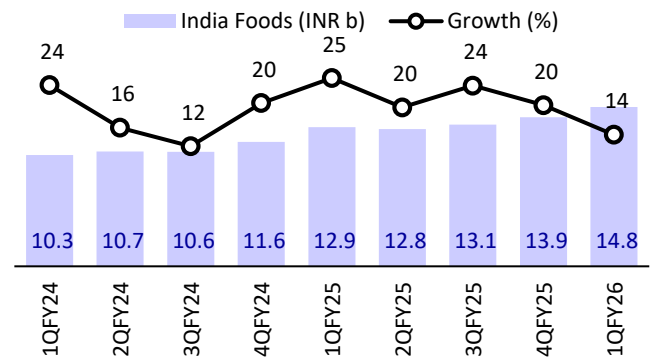


Exhibit 3: Consolidated adjusted PAT trend



Source: Company, MOFSL

Exhibit 4: India Foods revenue trend



Source: Company, MOFSL

Exhibit 5: India Beverages revenue trend

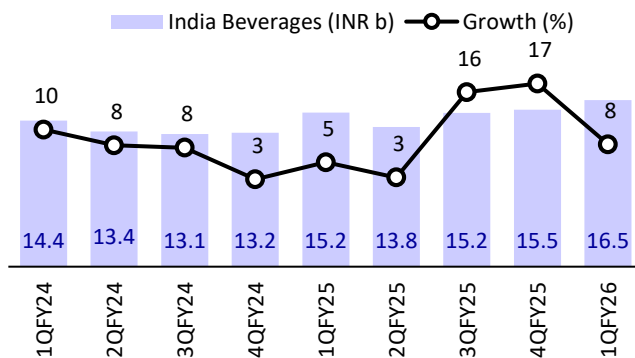


Exhibit 6: International Branded Beverages revenue trend

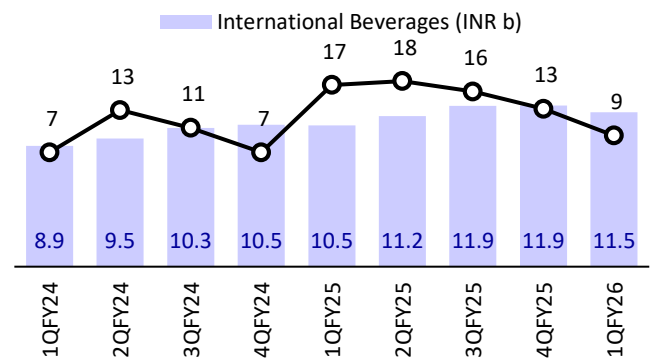
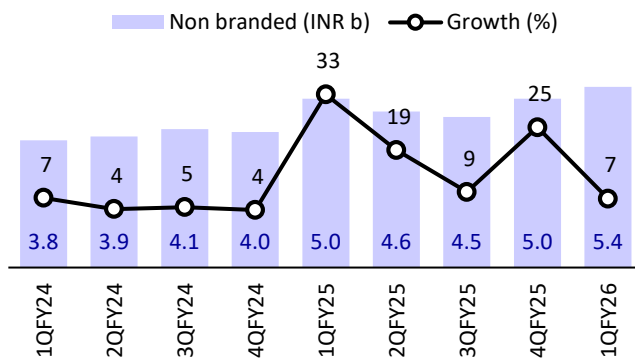
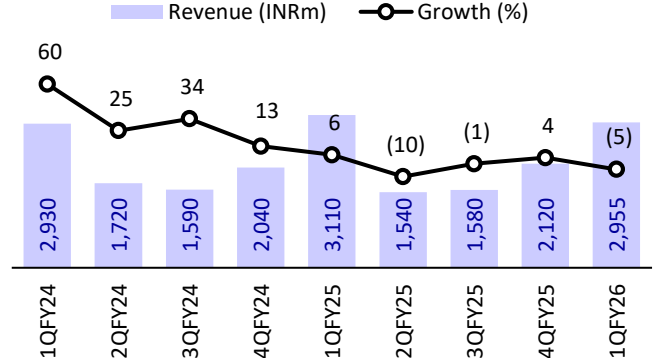


Exhibit 7: Non-Branded business revenue trend



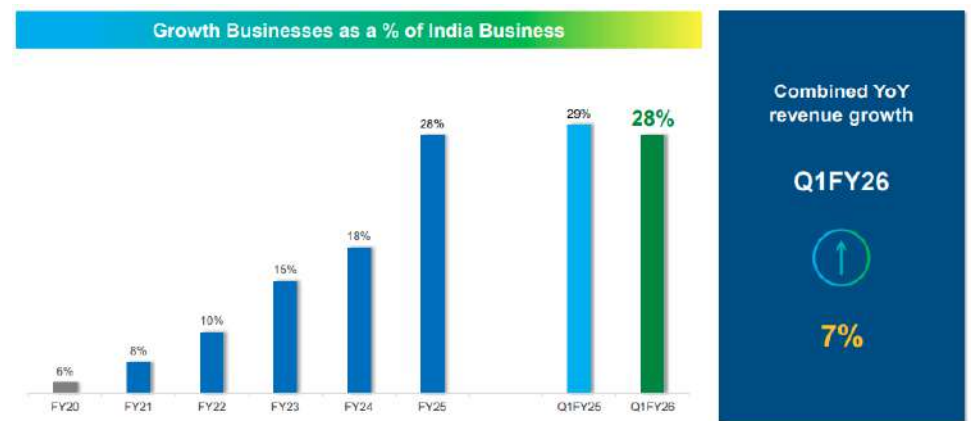
Source: Company, MOFSL

Exhibit 8: NourishCo revenue trend



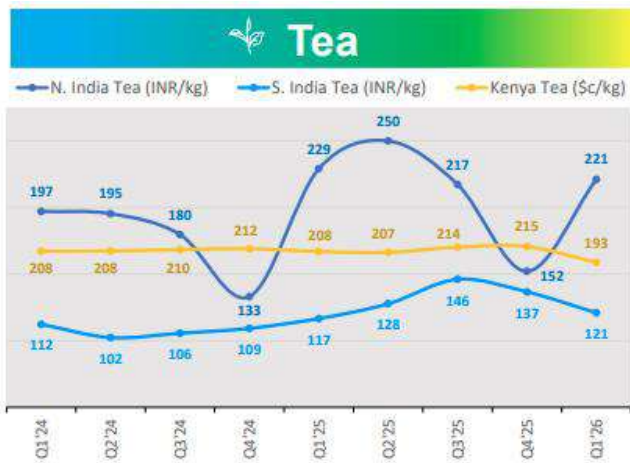
Source: Company, MOFSL

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

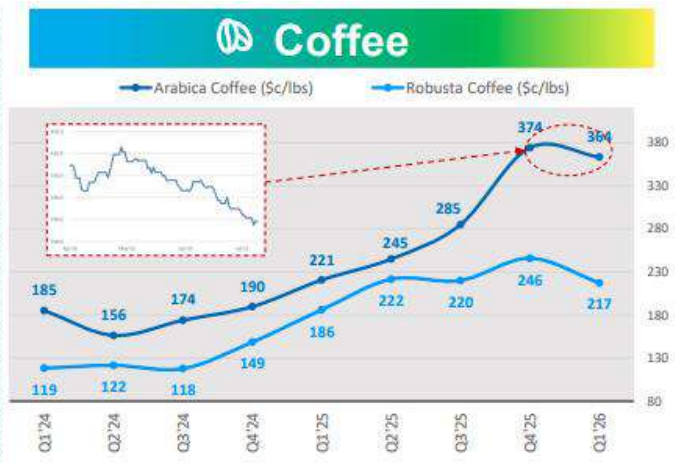


Source: Company

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

	E-Com (including Q-Com)	+61% YoY
	Modern Trade	+21% YoY
	Food Services	Successful activation across key large accounts and premium hotel chains.
	Pharmacies	Distribution expanded to the top 40 cities. Demand generation activities underway.
	Vending	~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
Segmental revenue					
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%
Total Branded Business	38,615	41,304	42,709	11%	3%
Non-Branded Business	5,006	5,006	5,358	7%	7%
Total Segment Revenue	43,621	46,310	48,067	10%	4%
Others	125	81	103		
International segment sales	-225	-308	-381		
Revenue from Operations	43,521	46,082	47,789	10%	4%
Segment Results					
Branded Business					
India - Business	3,258	2,416	2,903	-11%	20%
International - Beverages	1,755	1,573	1,546	-12%	-2%
Total Branded Business	5,013	3,989	4,448	-11%	12%
Non-Branded Business	961	1,120	645	-33%	-42%
Total Segment Results	5,974	5,109	5,094	-15%	0%
EBIT margins					
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

Enterprise value 12,19,240

Less: Net debt (37,314)

Market value (INRm) 12,56,554

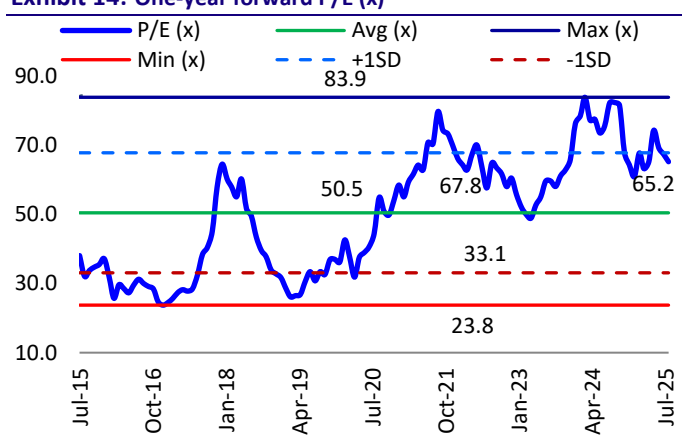
No. of shares (m) 990

Target price (INR) 1,270

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

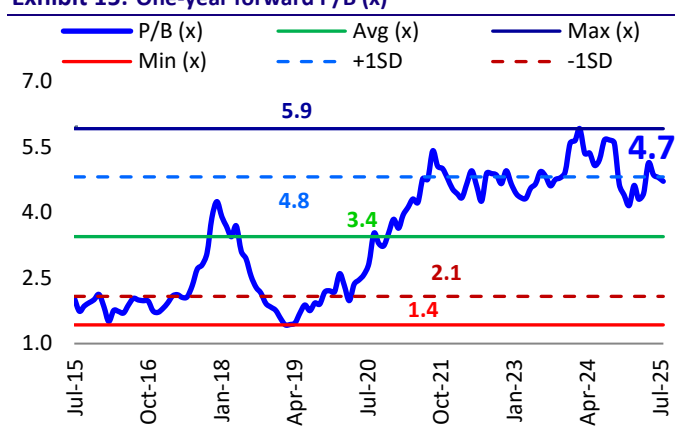
Source: MOFSL

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
Net Sales	96.4	116.0	124.3	137.8	154.3	176.2	192.9	208.0
Change (%)	32.9	20.4	7.1	10.9	11.9	14.2	9.5	7.8
Gross Profit	42.3	47.0	53.4	57.8	65.7	75.5	81.5	90.4
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
EBITDA	12.9	15.4	17.2	18.6	22.5	24.8	27.5	31.7
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
PBT before EO	10.8	13.4	15.1	16.3	19.9	17.8	22.3	26.1
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
Reported PAT	4.6	8.6	9.4	12.0	11.2	13.8	16.7	19.6
Adjusted PAT	7.2	8.7	9.7	10.8	13.7	13.9	16.7	19.6
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
Net Worth	138.1	145.3	151.4	162.8	160.6	200.0	209.5	221.9
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
Capital Employed	161.6	168.3	173.0	183.1	203.9	232.4	236.9	249.6
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
Net Fixed Assets	40.3	40.4	42.5	44.5	83.0	94.2	92.1	89.2
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
Curr. Assets	65.3	79.9	80.1	91.0	82.1	99.7	110.3	130.7
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
Curr. Liability & Prov.	20.1	28.4	30.2	36.4	58.4	65.5	68.6	72.7
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
Net Curr. Assets	45.2	51.5	49.8	54.6	23.7	34.2	41.7	57.9
Def. tax liability	3.0	5.5	7.5	8.1	16.5	20.4	20.4	20.4
Appl. of Funds	161.6	168.3	173.0	183.1	203.9	232.4	236.9	249.6

Financials and valuations

Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Basic (INR)								
EPS	7.6	9.1	10.2	11.4	14.3	14.0	16.8	19.8
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
Valuation (x)								
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
Return Ratios (%)								
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
Working Capital Ratios								
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
Leverage Ratio (x)								
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

Cash flow statement

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
EBITDA								
EBITDA	12.9	15.4	17.2	18.6	22.5	24.8	27.5	31.7
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
CF from Op. Activity	10.8	16.6	15.2	14.6	19.4	20.6	19.0	24.3
Capex	-1.6	-2.1	-2.7	-3.1	-3.3	-4.6	-4.0	-4.0
FCFF	9.2	14.5	12.4	11.5	16.0	16.0	15.0	20.3
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
CF from Inv. Activity	-6.7	-4.1	-13.2	-8.3	-19.3	-23.5	-1.8	-1.6
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
CF from Fin. Activity	4.3	-3.0	-7.9	1.2	-8.6	7.1	-12.8	-7.4
(Inc)/Dec in Cash	8.4	9.4	-6.0	7.5	-8.6	4.2	4.5	15.2
Opening balance	16.2	24.6	34.0	28.0	35.5	26.9	31.1	35.6
Closing balance (as per B/S)	24.6	34.0	28.0	35.5	26.9	31.1	35.6	50.8

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
financial interest in the subject company

- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 - AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@motilaloswal.com.