

Tata Consumer Products | ADD

Strong quarter; pace of expansion in margins in 2H will be key

TCPL's 2QFY26 earnings print was ahead of estimate. Revenue beat was driven by better-than-expected performance in India Foods (led by Salt while domestic tea business sales performance was inline), growth business (led by Nourischo, Organic India, Sampann) and higher growth in Non-branded business. This along with higher gross margins resulted in overall earnings beat for the quarter. Going ahead, revenue performance is likely to remain healthy – with mid to high-single-digit growth in domestic Tea, continued strength in salt business and sustaining momentum in growth businesses. On profitability front, management expects margins to improve QoQ (moderation in tea prices & uptick in international/non-branded business) and should achieve c.15% consol. EBITDA margins by 4QFY26E (slower vs. earlier guidance of achieving c.15-16% by Q3FY26E, owing to volatility in coffee prices). We are building in healthy sales growth (11% sales CAGR) & margin expansion (c.120bps) resulting in earnings CAGR of 21% over FY26-28E. With recent run-up (c.12% in last 3 months) and valuations at 60x FY27E, upsides are limited. We roll forward to Dec'27E EPS; maintain ADD rating with revised TP of INR 1,265. Movement in input costs (especially coffee) will be key monitorable.

- **Better-than-envisioned growth across segments drove revenue beat; Salt and Growth businesses surprise positively:** Consol. sales grew 17.8% YoY to INR 49.7bn, c.5% above our expectations. EBITDA grew 7.3% YoY to INR 6.7bn (c.7% above est.) and adjusted PAT grew 11.0% YoY to INR 4.1bn. Segmentally: **1) India beverages** delivered broad-based growth of 15.8% YoY – India Tea business grew 12% YoY with 5% volume growth, while coffee continued its strong momentum and grew 56% YoY. RTD's (NourishCo) business saw strong recovery and delivered revenue growth of 25% YoY (1st time since acquisition) with volume growth of 31% YoY, despite unseasonal rains and competitive headwinds. **2) India Foods** grew 19.3% YoY – led by continued momentum in Salt (+16% with volume growth of 9%) and Tata Sampann (+40%). Capital Foods (+8.3%) and Organic India (+30.4%) together grew 16% YoY, impacted by GST transition across MT(destocking) and GT (extra GST passed on as discount on old MRP packs) trade channels. **3) International business** continued its trajectory and grew 15% YoY (9% CC) – as softness in UK (down 5% on high base) was more than offset by strong performance in US coffee (+21% YoY) and Canada business (+7% YoY led by speciality tea). **4) Non-branded** sales grew 28% while EBIT declined 28%, impacted by coffee price corrections. On QoQ basis EBIT margins improved with uptick in coffee prices (led by US tariff hike on Brazil). **5) Starbucks'** revenue grew 8% YoY, similar to growth in store-count (+8% YoY to 492 stores).
- **Margin expansion in India business offset by weakness in International and non-branded business:** Consol. gross margins compressed 152bps YoY to 42.1% (78bps below est.), as uptick in standalone margins (due to moderation in tea prices) was more than offset by weakness in International (lower gross margins YoY due to high coffee prices and lack of commensurate price hikes) and non-branded business. Staff cost/other expenses grew c.12%/19% YoY respectively. Resultant consolidated EBITDA grew by 7.3% with a margin compression of 133bps YoY to 13.5% (tad above our est. of 13.2%). PAT (bei) grew by 5% YoY to INR 4.1bn due to lower other income. Going ahead management expects EBITDA margins to improve QoQ; guided for c.15% consol. EBITDA margins by 4Q led by moderation in tea prices, likely uptick in International (benefit of price hikes) and non-branded business. Impact of US tariff hikes on international coffee prices will be key monitorable.



Mehul Desai

mehul.desai@jmfl.com | Tel: (91 22) 66303065

Gaurav Jogani

gaurav.jogani@jmfl.com | Tel: (91 22) 66303085

Pooja Kubadia

pooja.kubadia@jmfl.com | Tel: (91 22) 66303074

Rajat Gupta

rajat.gupta@jmfl.com | Tel: (91 22) 66303077

Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	1,265
Upside/(Downside)	5.6%
Previous Price Target	1,210
Change	4.5%

Key Data – TATACONS IN

Current Market Price	INR1,198
Market cap (bn)	INR1,185.0/US\$13.3
Free Float	57%
Shares in issue (mn)	989.5
Diluted share (mn)	989.5
3-mon avg daily val (mn)	INR1,217.1/US\$13.7
52-week range	1,203/883
Sensex/Nifty	83,978/25,763
INR/US\$	88.8

Price Performance

%	1M	6M	12M
Absolute	5.3	3.5	19.3
Relative*	1.8	-0.8	13.2

* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,50,985	1,75,084	1,97,098	2,17,557	2,40,968
Sales Growth (%)	10.5	16.0	12.6	10.4	10.8
EBITDA	22,841	24,794	27,518	32,487	36,649
EBITDA Margin (%)	15.0	14.1	13.9	14.8	15.1
Adjusted Net Profit	13,793	12,822	15,773	19,691	22,932
Diluted EPS (INR)	14.5	13.0	15.9	19.9	23.2
Diluted EPS Growth (%)	22.0	-10.5	23.0	24.8	16.5
ROIC (%)	9.4	8.0	8.3	10.0	11.2
ROE (%)	8.5	7.1	7.7	9.3	10.3
P/E (x)	82.8	92.5	75.2	60.2	51.7
P/B (x)	7.1	5.9	5.7	5.5	5.2
EV/EBITDA (x)	52.6	47.9	42.9	36.1	32.0
Dividend Yield (%)	0.6	0.7	0.8	1.1	1.3

Source: Company data, JM Financial. Note: Valuations as of 03/Nov/2025

Concall Highlights

- **India Beverages:** Overall portfolio witnessed broad-based growth with double-digit value expansion with India tea volumes at 5% YoY. **On the RM side, tea costs are now normalising from previous peaks (+30%), while volatility in coffee prices remains a key monitorable moving forward.** Management highlighted that India tea business is now broadly operating within its normative gross margin range of 34-36% and will continue to operate in this range as - a) it is a highly competitive and b) largely a commodity indexed business. This range will aid the company to remain competitive and maintain its market share. In tea markets where TCPL is the leader, it will initiate pricing actions (either upward or downward) to remain competitive, whereas in markets where it is a challenger brand it waits for the market leader to make the move.
- **Salt Business:** The business saw sequential acceleration and grew in double digit for second consecutive quarter. Management highlighted that in the last quarter it has seen market share gains of c.100bps+.
- **Ready-to-drink:** The RTD business saw significant volume and volume acceleration despite adverse monsoons and competitive headwinds. During the quarter, large part of the portfolio fell into the 12% tax bracket (vs. 18% previously); **however, the GST-led transitory impact was minimal as consumer did not delay purchases of impulse categories (i.e. water/gluco+).** During the quarter, the company reduced prices of bottled water from INR 10 to INR 9 and INR 20 to INR 18, the same will be upsized in the near term. It has re-entered the caffeine energy segment with Zip Zap (India's first still-based energy drink) and is in the advanced pilot phase. The early signs of this launch are encouraging. **Going forward, management expects 30% growth runrate for this business as the penetration rates are abysmally low in comparison to any middle-income country. Further, management also highlighted that with Reliance entering the bottled water segment; it will keep a close watch over its market share and taking agile actions in terms of retailer margin or consumer value proposition. At no point in time will it lose market share like last time when CAMPA launched INR 10 price point in carbonated beverages with 2x retailer margin.**
- **Tata Sampann:** Sampann delivered strong growth of 40% YoY for the quarter. The portfolio is in the commodity-led business and there cannot be much pricing driven growth. As the company targets to move consumers from unbranded to branded, the premium over unbranded/regional players is fixed. The base categories continues to grow at healthy rate; however, the new launches in dry fruits and cold-pressed oils are accelerating growth, with current ARR tracking at INR 300 crores and INR 250 crores respectively. **Management's strategy with respect to Sampann remains to enter into categories which are trust deficit, high TAM, good margin and good growth businesses wherein it can build a differentiated product portfolio.**
- **Capital Foods and Organic India:** Capital foods and Organic India saw a hiccup by GST disruptions in MT (destocking) and GT (extra GST passed on discounts on old inventory to reduce impact on retailer margin) channels. Prior to that, capital foods saw decent double digit growth. Management focuses on portfolio expansion through new launches - noodles (Hakka, Instant etc.) and chinese chutney (chilli oil etc.) as well as product extension with its oriental portfolio (Korean offerings apart from ramen and instant noodles. Organic India saw growth, especially in the export market, with supply chain issues in the US now resolved. Within the domestic market, management has highlighted that pharma channel has given far better contribution to Organic India as compared to food service channel in Capital foods. **The company remains optimistic about the potential for high-double-digit growth for Capital Foods.**
- **Growth businesses:** The management remains confident that its growth businesses contributing to c.30% of sales will grow at c.30% for the foreseeable future. Key drivers are low penetration, strong distribution and untapped categories like organic food and cold-pressed oils etc. Capital Foods is expanding its portfolio into Korean food and noodles, while RTD consumption has significant room for growth given its low penetration levels. The dry fruits, cold-pressed oils and vending business (new venture) are hitting an ARR of INR 300 crores, INR 250 crores and INR 80-90 crores, respectively, reflecting strong progress. Also, **the company is seeing increasing traction in pharma channel with listing into the largest pharma retailer in India. With on-going distribution and brand expansion, the company expects sustained growth across these categories.**

- **International Business:** International business saw a 9% growth in revenue, driven by healthy contribution from the US (+21%) and Canada (+7%). **The company has taken two rounds of price increase (one in July and second is due in November) to manage rising coffee costs. Another round of price hike is planned January 26 and if needed then March as well.** The US coffee business saw solid volume growth and market share expansion, especially in bags and K-Cups. **Coffee prices remain volatile, largely due to tariff (50%) in Brazil. The company remains cautious over coffee fluctuations.** UK continued to see healthy margins, though revenue declined by 5% due to a high base last year. The focus in UK is to maintain black tea share along with continued growth in fruit and herbal (market share now increased to 10%). Canada also showed healthy growth with Tata's ethnic food portfolio gaining traction.
- **Non-branded business:** The non-branded segment grew 26% in revenue, but margins remained under pressure. **The business is transitioning to more normalized margins (low teens) compared to last year,** when it benefited from low-cost inventory and high prices. Coffee price volatility continues to impact margins, but the company remains focused on the margin as it matters more and not the absolute revenue.
- **Starbucks:** Starbucks delivered revenue growth of 8% YoY with a positive same store sales growth (SSSG), although net new store openings were slowed with opening of 7 stores only due to the broader industry slowdown. The company is nearing 500 stores mark, with a presence in 80 cities.
- **Guidance**
 - **India tea business will continue to operate within the gross margin range of 34-36%.** Management expects to drive mid-single-digit volume growth which coupled with price/mix will aid **high-single-digit revenue growth for the business.**
 - Management stated that a good **Foods business should deliver EBITDA margin in the range of 17-20% and it expects to be within this ballpark range by 4QFY26E, unless coffee prices remain volatility.**
 - Management highlighted that **EBITDA margin of India business** is broadly operating within its normative range..
 - **Management is confident to deliver c.15% consol. EBITDA margin by end of FY26** and expects YoY margin expansion in the next few quarter. **They highlighted that barring US coffee business, there is no margin pressure in any other businesses.**
- **Other highlights**
 - GST-led disruptions impacted the MT and GT trade channels during the last week on September and some spill-over impact was seen in first week of October.

Exhibit 1. 2QFY26 snapshot: Overall operational performance better than envisaged

	CONSOLIDATED					PARENT		
INR mn	2QFY26	2QFY25	YoY change %	2QFY26E	% variance	2QFY26	2QFY25	YoY change %
Revenue	49,659	42,145	17.8%	47,406	4.8%	35,952	30,458	18.0%
Gross Profit	20,896	18,376	13.7%	19,579	6.7%	12,227	10,236	19.5%
Gross Profit Margin %	42.1%	43.6%	-152 bps	41.3%	78 bps	34.0%	33.6%	40 bps
Staff Cost	4,067	3,635	11.9%	4,030	0.9%	1,876	1,489	25.9%
A&P spends	3,377	2,790	21.0%	3,129	7.9%	2,660	2,284	16.5%
Other expenses	6,734	5,687	18.4%	6,163	9.3%	3,327	3,031	9.8%
EBITDA	6,718	6,263	7.3%	6,258	7.4%	4,364	3,432	27.2%
EBITDA margin %	13.5%	14.9%	-133 bps	13.2%	33 bps	12.1%	11.3%	87 bps
Depreciation	1,533	1,493	2.6%	1,550	-1.1%	555	532	4.3%
EBIT	5,185	4,770	8.7%	4,708	10.1%	3,809	2,899	31.4%
Interest Expense	332	987	-66.3%	320	3.8%	248	736	-66.4%
Financial Other Income	380	460	-17.3%	521	-27.1%	285	201	41.8%
PBT (before exceptional)	5,233	4,242	23.3%	4,909	6.6%	3,846	2,364	62.7%
PBT (incl. exceptional)	5,233	3,971	31.8%	4,909	6.6%	3,846	2,212	73.9%
Associates Profit + Minority Interest	74	51	45.9%	50	48.2%	NA	NA	NA
Reported Net Profit	4,045	3,644	11.0%	3,717	8.8%	2,852	2,230	27.9%
Adjusted Net Profit	4,070	3,670	10.9%	3,717	9.5%	2,850	2,230	27.8%

Source: Company, JM Financial

Exhibit 2. Quarterly financial performance – consolidated basis

INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Sales	37,338	38,039	39,269	43,521	42,145	44,436	46,082	47,789	49,659
YoY	11%	9%	9%	16%	13%	17%	17%	10%	18%
Gross Profit	15,869	16,661	18,111	19,546	18,376	18,251	19,317	19,162	20,896
Staff cost	3,042	3,174	3,413	3,450	3,635	3,780	3,436	3,856	4,067
A&P spends	2,502	2,473	2,560	3,003	2,790	2,975	3,272	3,297	3,675
Other expenses	4,955	5,291	5,842	6,420	5,687	5,849	6,399	5,939	6,436
EBITDA	5,371	5,724	6,296	6,674	6,263	5,647	6,210	6,069	6,718
YoY	24%	26%	23%	22%	17%	-1%	-1%	-9%	7%
Depreciation	939	855	1,158	1,480	1,493	1,503	1,531	1,489	1,533
Interest	276	332	428	936	987	579	400	338	332
Other income	898	596	385	392	460	516	565	412	380
PBT	5,054	5,133	5,095	4,650	4,242	4,081	4,844	4,654	5,233
YoY	36%	27%	12%	-6%	-16%	-20%	-5%	0%	23%
Pre-tax Exceptional income/ (exp)	(146)	(915)	(2,158)	(171)	(272)	(62)	453	-	-
PBT after exceptional items	4,909	4,217	2,937	4,479	3,971	4,019	5,297	4,654	5,233
Tax	1,317	1,062	260	1,337	377	1,022	1,226	1,190	1,262
Net Profit	3,592	3,155	2,677	3,142	3,593	2,998	4,071	3,464	3,971
Share of profit of associates	47	(140)	(555)	(249)	79	(178)	(584)	(147)	95
Minority Interest	257	226	(44)	(11)	28	30	39	(24)	21
Reported PAT	3,382	2,789	2,166	2,903	3,644	2,789	3,448	3,342	4,045
YoY	3%	-21%	-19%	-8%	8%	0%	59%	15%	11%
% to sales	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Gross margin	42.5%	43.8%	46.1%	44.9%	43.6%	41.1%	41.9%	40.1%	42.1%
Staff cost	8.1%	8.3%	8.7%	7.9%	8.6%	8.5%	7.5%	8.1%	8.2%
Other expenses	13.3%	13.9%	14.9%	14.8%	13.5%	13.2%	13.9%	12.4%	13.0%
EBITDA margin	14.4%	15.0%	16.0%	15.3%	14.9%	12.7%	13.5%	12.7%	13.5%

Source: Company, JM Financial

Exhibit 3. Quarterly segmental overview

INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Growth (%)									
India tea volume growth	3%	2%	0%	0%	-4%	7%	2%	1%	5%
India foods volume growth	6%	5%	5%	10%	1%	1%	6%	6%	11%
International business CC growth	8%	6%	5%	8%	5%	4%	2%	5%	9%
Revenue									
India - Beverages - Branded	13,381	13,129	13,265	14,691	12,872	14,427	14,727	15,917	14,902
India - Foods - Branded	10,660	10,620	11,530	13,460	13,680	13,910	14,640	15,340	16,320
International - Beverages - Branded	9,497	10,284	10,525	10,464	11,160	11,925	11,937	11,452	12,877
Branded business	33,538	34,033	35,320	38,615	37,712	40,262	41,304	42,709	44,099
Non-Branded Business	3,883	4,106	4,015	5,006	4,623	4,461	5,006	5,358	5,902
Total	37,421	38,139	39,335	43,621	42,335	44,723	46,310	48,067	50,000
Others	149	148	169	125	99	92	81	103	115
Intersegment	232	247	235	225	290	379	308	381	457
Total	37,338	38,039	39,269	43,521	42,145	44,436	46,082	47,789	49,659
EBIT									
India - Branded (Beverages + Foods)	3,306	3,685	3,203	3,258	2,432	2,103	2,416	2,903	3,588
International - Beverages - Branded	958	1,088	1,642	1,755	1,671	1,667	1,573	1,546	1,478
Branded business	4,264	4,772	4,845	5,013	4,104	3,770	3,989	4,448	5,065
Non-Branded Business	571	492	919	961	1,061	930	1,120	645	760
Total	4,835	5,265	5,764	5,974	5,165	4,700	5,109	5,094	5,825
EBIT Margin									
India - Branded (Beverages+Foods)	13.8%	15.5%	12.9%	11.6%	9.2%	7.4%	8.2%	9.3%	11.5%
International - Beverages - Branded	10.1%	10.6%	15.6%	16.8%	15.0%	14.0%	13.2%	13.5%	11.5%
Branded business	12.7%	14.0%	13.7%	13.0%	10.9%	9.4%	9.7%	10.4%	11.5%
Non-Branded Business	14.7%	12.0%	22.9%	19.2%	23.0%	20.8%	22.4%	12.0%	12.9%
Total	13.0%	13.8%	14.7%	13.7%	12.3%	10.6%	11.1%	10.7%	11.7%

Source: Company, JM Financial

Exhibit 4. TCPL's 5yr avg. PE Band

Source: Company, JM Financial

Exhibit 5. TCPL's 10yr avg. PE Band

Source: Company, JM Financial

Exhibit 6. Revision in estimates

	Revised			Earlier			Change		
INR mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	197,098	217,557	240,968	192,649	212,390	234,076	2.3%	2.4%	2.9%
EBITDA	27,518	32,487	36,649	28,129	32,024	35,907	-2.2%	1.4%	2.1%
PAT	15,773	19,691	22,932	16,177	19,362	22,395	-2.5%	1.7%	2.4%
EPS	15.9	19.9	23.2	16.3	19.6	22.6	-2.5%	1.7%	2.4%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,50,985	1,75,084	1,97,098	2,17,557	2,40,968
Sales Growth	10.5%	16.0%	12.6%	10.4%	10.8%
Other Operating Income	1,073	1,099	1,183	1,305	1,446
Total Revenue	1,52,059	1,76,183	1,98,281	2,18,863	2,42,414
Cost of Goods Sold/Op. Exp	85,639	1,00,693	1,14,915	1,25,051	1,38,161
Personnel Cost	12,586	14,301	15,866	17,448	19,253
Other Expenses	30,993	36,396	39,981	43,877	48,350
EBITDA	22,841	24,794	27,518	32,487	36,649
EBITDA Margin	15.0%	14.1%	13.9%	14.8%	15.1%
EBITDA Growth	23.0%	8.5%	11.0%	18.1%	12.8%
Depn. & Amort.	3,772	6,007	6,123	6,224	6,325
EBIT	19,070	18,786	21,395	26,263	30,324
Other Income	2,456	1,933	2,046	2,316	2,417
Finance Cost	1,298	2,902	1,317	1,185	1,067
PBT before Excep. & Forex	20,228	17,817	22,124	27,394	31,674
Excep. & Forex Inc/Loss(-)	-3,270	-51	0	0	0
PBT	16,957	17,766	22,124	27,394	31,674
Taxes	3,947	3,963	5,531	6,903	7,982
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-205	-846	-680	-600	-540
Reported Net Profit	11,503	12,785	15,773	19,691	22,932
Adjusted Net Profit	13,793	12,822	15,773	19,691	22,932
Net Margin	9.1%	7.3%	8.0%	9.0%	9.5%
Diluted Share Cap. (mn)	952.8	989.5	989.5	989.5	989.5
Diluted EPS (INR)	14.5	13.0	15.9	19.9	23.2
Diluted EPS Growth	22.0%	-10.5%	23.0%	24.8%	16.5%
Total Dividend + Tax	7,385	8,163	10,071	13,558	15,790
Dividend Per Share (INR)	7.8	8.3	10.2	13.7	16.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	16,101	16,833	21,374	26,694	31,024
Depn. & Amort.	3,772	6,007	6,123	6,224	6,325
Net Interest Exp. / Inc. (-)	-1,158	970	-729	-1,131	-1,350
Inc (-) / Dec in WCap.	114	48	-1,344	-5,093	-10,445
Others	4,517	1,327	-70	-100	-110
Taxes Paid	-3,978	-4,618	-5,485	-6,871	-7,956
Operating Cash Flow	19,367	20,567	19,868	19,724	17,488
Capex	-3,102	-4,140	-4,500	-4,500	-4,500
Free Cash Flow	16,265	16,427	15,368	15,224	12,988
Inc (-) / Dec in Investments	-18,218	-20,577	-484	0	0
Others	2,011	1,180	2,046	2,316	2,417
Investing Cash Flow	-19,309	-23,536	-2,938	-2,184	-2,083
Inc / Dec (-) in Capital	0	29,806	0	0	0
Dividend + Tax thereon	-8,089	-7,415	-8,163	-10,071	-13,558
Inc / Dec (-) in Loans	12,540	-14,513	-1,849	-1,664	-1,497
Others	-1,711	-2,902	-1,280	-1,123	-1,000
Financing Cash Flow	2,741	4,977	-11,292	-12,859	-16,055
Inc / Dec (-) in Cash	2,798	2,007	5,638	4,682	-650
Opening Cash Balance	21,747	26,172	28,179	33,816	38,498
Closing Cash Balance	24,545	28,179	33,816	38,498	37,848

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,60,568	2,00,011	2,07,620	2,17,239	2,26,614
Share Capital	953	990	990	990	990
Reserves & Surplus	1,59,615	1,99,021	2,06,631	2,16,250	2,25,624
Preference Share Capital	0	0	0	0	0
Minority Interest	13,793	13,892	13,962	14,062	14,172
Total Loans	29,539	18,487	16,638	14,974	13,477
Def. Tax Liab. / Assets (-)	16,531	20,403	20,403	20,403	20,403
Total - Equity & Liab.	2,20,430	2,52,793	2,58,623	2,66,679	2,74,666
Net Fixed Assets	1,90,241	2,11,509	2,09,919	2,08,233	2,06,450
Gross Fixed Assets	1,09,298	1,24,056	1,28,556	1,33,056	1,37,556
Intangible Assets	1,03,343	1,13,304	1,13,304	1,13,304	1,13,304
Less: Depn. & Amort.	26,268	29,814	35,937	42,161	48,486
Capital WIP	3,869	3,963	3,996	4,034	4,077
Investments	8,706	9,687	10,171	10,171	10,171
Current Assets	74,607	91,670	1,03,413	1,14,034	1,19,371
Inventories	27,694	35,999	39,420	42,915	46,213
Sundry Debtors	8,968	8,698	9,792	10,808	11,971
Cash & Bank Balances	24,545	28,179	33,816	38,498	37,848
Loans & Advances	6,462	9,184	10,103	10,810	11,566
Other Current Assets	6,939	9,610	10,283	11,003	11,773
Current Liab. & Prov.	53,124	60,073	64,880	65,759	61,327
Current Liabilities	48,966	56,437	60,820	61,274	56,374
Provisions & Others	4,158	3,636	4,060	4,485	4,953
Net Current Assets	21,484	31,597	38,533	48,275	58,044
Total - Assets	2,20,430	2,52,793	2,58,623	2,66,679	2,74,666

Source: Company, JM Financial

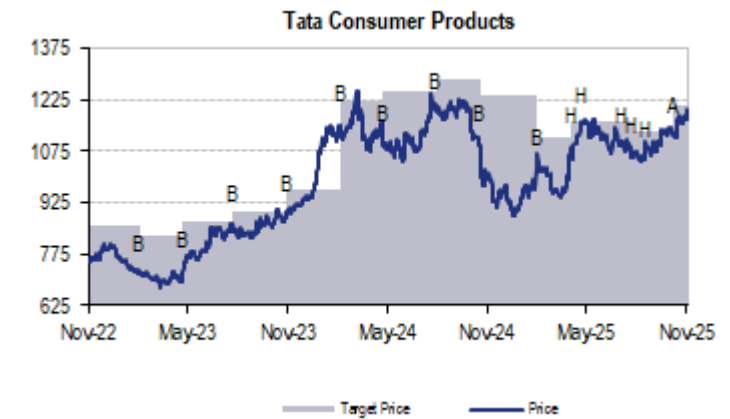
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	9.1%	7.3%	8.0%	9.0%	9.5%
Asset Turnover (x)	0.7	0.7	0.8	0.8	0.9
Leverage Factor (x)	1.3	1.3	1.3	1.2	1.2
RoE	8.5%	7.1%	7.7%	9.3%	10.3%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	168.5	202.1	209.8	219.5	229.0
ROIC	9.4%	8.0%	8.3%	10.0%	11.2%
ROE	8.5%	7.1%	7.7%	9.3%	10.3%
Net Debt/Equity (x)	0.0	-0.1	-0.1	-0.1	-0.1
P/E (x)	82.8	92.5	75.2	60.2	51.7
P/B (x)	7.1	5.9	5.7	5.5	5.2
EV/EBITDA (x)	52.6	47.9	42.9	36.1	32.0
EV/Sales (x)	7.9	6.7	5.9	5.4	4.8
Debtor days	22	18	18	18	18
Inventory days	66	75	73	72	70
Creditor days	138	136	130	120	100

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
29-Mar-22	Buy	805	
5-May-22	Buy	810	0.6
11-Aug-22	Buy	860	6.2
7-Oct-22	Buy	860	0.0
21-Oct-22	Buy	860	0.0
3-Feb-23	Buy	830	-3.5
25-Apr-23	Buy	870	4.8
26-Jul-23	Buy	900	3.4
31-Oct-23	Buy	965	7.2
7-Feb-24	Buy	1,220	26.4
25-Apr-24	Buy	1,250	2.5
31-Jul-24	Buy	1,285	2.8
19-Oct-24	Buy	1,235	-3.9
31-Jan-25	Buy	1,115	-9.7
4-Apr-25	Hold	1,160	4.0
23-Apr-25	Hold	1,160	0.0
4-Jul-25	Hold	1,160	0.0
23-Jul-25	Hold	1,130	-2.6
17-Aug-25	Hold	1,130	0.0
8-Oct-25	Add	1,210	7.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfirancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.