

RATING: BUY | CMP: 1163 | TARGET: 1382 | TIME FRAME: 9-12 MONTHS

Sector: FMCG

Why TATACONSUM is a BUY for Investment:

Tata Consumer Products presents a smart and dependable opportunity for long-term investors looking to build wealth through SIPs. As a key FMCG company from the Tata Group, it owns powerful and trusted brands like Tata Salt, Tata Tea, Tetley, Sampan, and Himalayan, which are part of consumers' everyday lives. This makes it a defensive and resilient business, especially useful during uncertain phases like the monsoon season or economic slowdowns. With a strong global footprint across regions like the UK, USA, and Canada, and a deep domestic distribution network, the company is well-positioned for consistent performance.

On the financial front, the company reported 17% YoY revenue growth in Q4FY25, and the India Foods segment grew 27%, supported by rising demand for core products. Its growth businesses—including Souful and Himalayan—grew 24% organically, and now contribute almost 30% to the India portfolio. Modern trade and e-commerce channels, which now account for 14–15% of India revenue, are expanding rapidly. Even with short-term margin pressures from tea inflation, full-year net profit jumped 64%, and the management expects margin recovery in the coming quarters.

With 41 new products launched in FY25, a growing digital presence, and strong brand equity, Tata Consumer is well-equipped for the future. The company emphasizes more on premiumization (moving up the value chain), health & wellness, convenience/ready-to-eat, digital/alternate channels. They are building distribution, digital/AI capabilities, expanding to rural/modern trade/e-commerce.

Scale & Reach of the company:

- In India: Reach of over 200 million households.
- Among the top 10 food & beverage companies in India.
- It is in beverages & Foods both major segments

Investing through SIP helps investors benefit from rupee cost averaging, while gradually building exposure to a stable, innovative, and fundamentally strong business. It's an ideal pick for those looking to tap into India's growing consumption story through a trusted name.

Why to invest in TATACONSUM:

Market Cap ₹1,15,282 Cr & EV ₹1,08,416 crore: This indicates a **large-cap, stable company** with low net debt. Since **Enterprise Value is close to Market Cap**, the company is nearly **debt-free**—a positive for financial health.

Return Ratios – ROE: 7.01%, ROCE: 9.16%: These are **moderate** returns, typical for FMCG businesses that focus on steady, low-risk growth. ROCE being higher than ROE indicates **efficient use of capital**, especially with low leverage.

EPS: ₹12.9: Earnings per share shows the company's **profitability per unit of share**. It's a decent figure and expected to improve as margins recover.

Operating Profit Margin (OPM): 14.1%: A healthy OPM indicates **efficient operations**, though slightly impacted recently due to **tea inflation**. Management expects margins to improve in the coming quarters.

Dividend Yield: 0.76%: The yield is **modest**, but signals the company's intent to **reward shareholders** while retaining profits for growth. It's suitable for investors seeking a **mix of income and growth**.

Highlights from the recent financials:**FY 2024-25 (ended March 31 2025):**

Consolidated total income: ₹17,811.55 crore, up ~15% YoY.

Revenue from operations: ₹17,618.30 crore, up from ~₹15,205.85 crore.

Q1 FY26 (Quarter ended June 2025):

Revenue from operations: ~₹4,778.91 crore, up ~9.8% YoY.

Consolidated net profit: ~₹334.15 crore, up ~15.1% YoY.

Future prospects of the company:

- Portfolio diversification into faster-growing categories
- Innovation & digital / AI adoption
- Sustainability, which is increasingly a competitive advantage
- Capability to expand internationally / premium brands
- The company is generating strong operating cash flow (₹ 2,056 crore) which is a positive sign for liquidity and financial strength.

KEY FINANCIALS FOR THE Q1FY26:**Consolidated Quarterly Results:**

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Sales	3,734	3,804	3,927	4,352	4,214	4,444	4,608	4,779
Expenses	3,197	3,232	3,297	3,685	3,588	3,879	3,987	4,172
Operating Profit	537	572	630	667	626	565	621	607
OPM %	14%	15%	16%	15%	15%	13%	13%	13%
Other Income	75	-32	-177	22	19	45	102	41
Interest	28	33	43	94	99	58	40	34
Depreciation	94	86	116	148	149	150	153	149
Profit before tax	491	422	294	448	397	402	530	465
Tax %	27%	25%	9%	30%	10%	25%	23%	26%
Net Profit	364	302	212	289	367	282	349	332
EPS in Rs	3.51	2.89	2.19	2.93	3.68	2.82	3.49	3.38

Profit & Loss Statement:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	7,252	9,637	11,602	12,425	13,783	15,206	17,618
Expenses	6,466	8,345	10,058	10,707	11,927	12,922	15,139
Operating Profit	786	1,292	1,544	1,719	1,856	2,284	2,479
OPM %	11%	13%	13%	14%	13%	15%	14%
Other Income	124	-163	91	88	328	-81	188
Interest	52	78	69	73	87	130	290
Depreciation	123	242	255	278	304	377	601
Profit before tax	735	809	1,311	1,456	1,794	1,696	1,777
Tax %	36%	34%	24%	26%	25%	23%	22%
Net Profit	457	460	930	1,015	1,320	1,215	1,287
EPS in Rs	6.23	4.8	8.95	9.78	12.48	11.63	12.92

Balance Sheet:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	63	92	92	92	93	95	99
Reserves	7,269	13,723	14,442	15,050	16,184	15,962	19,902
Borrowings	1,141	1,586	1,634	1,412	1,600	3,477	2,393
Other Liabilities	2,408	3,072	4,050	4,521	4,886	8,345	9,437
Total Liabilities	10,881	18,473	20,218	21,075	22,762	27,879	31,831
Fixed Assets	4,913	11,656	12,023	12,599	13,070	19,358	21,477
CWIP	424	95	113	247	295	190	218
Investments	1,188	1,323	806	797	1,433	871	969
Other Assets	4,355	5,399	7,276	7,431	7,965	7,461	9,167
Total Assets	10,881	18,473	20,218	21,075	22,762	27,879	31,831

Key Ratios:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Debtor Days	34	35	24	25	21	22	18
Inventory Days	146	115	132	132	144	140	152
Days Payable	61	64	95	111	125	136	148
ROCE %	8%	9%	8%	9%	9%	11%	9%

Shareholding Pattern:

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	33.55%	33.55%	33.84%	33.84%	33.84%	33.84%	33.84%
FII's	25.46%	24.12%	24.35%	23.23%	21.54%	21.96%	22.06%
DII's	17.39%	18.69%	18.73%	19.47%	21.96%	22.02%	22.20%
Public	23.58%	23.62%	23.06%	23.43%	22.66%	22.15%	21.89%
No of Shareholders	8,87,335	9,12,690	8,91,271	9,63,475	9,20,960	8,75,784	8,54,766

Stock price CAGR:

Stock Price CAGR	
10 Years:	25%
5 Years:	19%
3 Years:	15%
1 Year:	16%

TATACONSUM [H3432] 1176.00, 1.79%
Price: \$65.20, 2.00; Avg1(F,2),F,50,E,100;



www.nseindia.com | www.bseindia.com | www.moneycontrol.com | www.screener.in | www.in.tradingview.com
| www.bloomberg.com

RESEARCH ANALYST: SATISH KUMAR AVUSULA



03 NOVEMBER 2025

Disclaimer:**DISCLOSURES**

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

B N Rath Securities Limited (BNRSL) is a SEBI Registered Research Analyst having registration no. INH000014687. BNRSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services and Depository participant services & BNRSL is a listed public company and the details of the company are available on www.bnrsecurities.com BNRSL is registered with the Securities & Exchange Board of India (SEBI) for its stock broking & Depository participant business activities.

BNRSL has no material adverse disciplinary history as on the date of publication of this report

I/We, authors (Research team) and the name/s subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or BNRSL does not have any financial interest in the subject company. Also I/we or my/our relative or BNRSL or its Associates may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Since associates of BNRSL are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report. I/we or my/our relative or BNRSL or its associates do not have any material conflict of interest. I/we have not served as director, officer or employee in the subject company.

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

RESEARCH TEAM

BNRSL or its associates has not received any compensation from the subject company in the past twelve months. BNRSL or its Research Analysts has not been engaged in market making activity for the subject company.

In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, BNRSL or any of its associates may have:

- i. Received compensation for stock broking services or for any other services from the subject company of this research report and / or;
- ii. Managed or co-managed public offering of the securities from the subject company of this research report and / or;
- iii. Received compensation for products or services other than from the subject company of this research report;

BNRSL or any of its associates have not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report

TERMS & CONDITIONS:

This report has been prepared by BNRSL 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 BNRSL. 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. BNRSL will not treat recipients as customers by virtue of their receiving this report.

DISCLAIMERS

- Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to the recipient's specific circumstances. The securities and strategies discussed and opinions expressed, if any, 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 report may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this report 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 report (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. Certain transactions, including those involving futures, options and other derivatives as well as non-investment grade securities involve substantial risk and are not suitable for all investors. BNRSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc. Past performance is not necessarily a guide to future performance. Investors are advised necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.
- BNRSL and its affiliated companies, their directors and employees may; (a) from time to time, have long or short position(s) in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities or earn brokerage. The recipient should take this into account before interpreting this document.
- BNRSL 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 BNRSL 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 brokerage service transactions. BNRSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.
- Neither this report nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. 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 BNRSL 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 on investors.
- 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. The Company reserves the right to make modifications and alternations to this document as may be required from time to time without any prior notice. The views expressed are those of the analyst(s) and the Company may or may not subscribe to all the views expressed therein.
- Copyright in this document vests with B N Rathi Securities Limited Regd Off: 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad-500082. Compliance Officer: G Sabith Reddy Email: compliance@bnrsecurities.com, Tel No: 9703703399

Research Entity: **B N Rathi Securities Limited**
SEBI Registration Number: **INH000014687** CIN:
L65993TG1985PLC005838

03 NOVEMBER 2025

MOST IMPORTANT TERMS AND CONDITIONS (MITC)

[Forming part of the Terms and Conditions for providing research services]

1. These terms and conditions, and consent thereon are for the research services provided by the Research Analyst (RA) and RA cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit RA to execute any trade on their behalf.
2. The fee charged by RA to the client will be subject to the maximum of amount prescribed by SEBI/ Research Analyst Administration and Supervisory Body (RAASB) from time to time (applicable only for Individual and HUF Clients).
Note:
 - 2.1. The current fee limit is Rs 1,51,000/- per annum per family of client for all research services of the RA.
 - 2.2. The fee limit does not include statutory charges.
 - 2.3. The fee limits do not apply to a non-individual client / accredited investor.
3. RA may charge fees in advance if agreed by the client. Such advance shall not exceed the period stipulated by SEBI; presently it is one quarter. In case of pre-mature termination of the RA services by either the client or the RA, the client shall be entitled to seek refund of proportionate fees only for unexpired period.
4. Fees to RA may be paid by the client through any of the specified modes like cheque, online bank transfer, UPI, etc. Cash payment is not allowed. Optionally the client can make payments through Centralized Fee Collection Mechanism (CeFCoM) managed by BSE Limited (i.e. currently recognized RAASB).
5. The RA is required to abide by the applicable regulations/ circulars/ directions specified by SEBI and RAASB from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. The RA will endeavor to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.
6. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. No scheme of this nature shall be offered to the client by the RA.
7. The RA cannot guarantee returns, profits, accuracy, or risk-free investments from the use of the RA's research services. All opinions, projections, estimates of the RA are based on the analysis of available data under certain assumptions as of the date of preparation/publication of research report.
8. Any investment made based on recommendations in research reports are subject to market risks, and recommendations do not provide any assurance of returns. There is no recourse to claim any losses incurred on the investments made based on the recommendations in the research report. Any reliance placed on the research report provided by the RA shall be as per the client's own judgement and assessment of the conclusions contained in the research report.
9. The SEBI registration, Enlistment with RAASB, and NISM certification do not guarantee the performance of the RA or assure any returns to the client.
10. For any grievances,
 - Step 1: the client should first contact the RA using the details on its website or following contact details: (RA to provide details as per 'Grievance Redressal / Escalation Matrix')
 - Step 2: If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in
 - Step 3: The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>
11. Clients are required to keep contact details, including email id and mobile number/s updated with the RA at all times.
12. The RA shall never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. Never share such information with anyone including RA.

RESEARCH ANALYST: SATISH KUMAR AVUSULA

