

Tata Consumer Products Limited

October 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short-term instruments – CP/Short-term loan	1,500.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of rating assigned to the commercial paper (CP) instrument of Tata Consumer Products Limited (TCPL) continues to factor in its strong business profile with well-established brands and the dominant market position across geographies. Over the years, TCPL has been foraying into new product categories to keep pace with changing consumer preferences through new product launches and strategic acquisitions. The company had acquired Capital Foods Private Limited (Capital Foods-75% shareholding) in FY24 and Organic India Private Limited (Organic India-100% shareholding) in FY25, leading to addition of three new brands, Ching's Secret, Smith & Jones, and Organic India to its portfolio. Total operating income (TOI; on a consolidated basis) grew by 16% to ₹17,618 crore in FY25 largely driven by continued momentum in the branded business, and successful integration of Capital Foods and Organic India. The rating continues to positively factor in TCPL, being part of the Tata group, driven by an established and experienced management; TCPL's long and established track record in the branded tea industry with a dominant market position in the domestic and international marketplace; and its established presence in the other beverages segment across geographies, with a strong brand portfolio, and the market leadership position in branded salt in India. The company's overall financial risk profile is expected to remain strong in the long term, driven by low debt levels, healthy capital structure, and strong debt coverage indicators. These rating strengths far outweigh risks arising from commodity and currency fluctuations, which the company's operations are exposed to.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors— Not applicable

Negative factors

- Any major debt-funded capital expenditure/inorganic growth and delay in profitably ramping up revenues from such investments, which may weaken profitability indicators, capital structure or liquidity profile, resulting in net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) increasing over 1x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated approach due to the strong operational, managerial, and financial linkages between TCPL and its subsidiaries, joint ventures (JV) and associates. Subsidiaries, JVs, and associates, which have been consolidated are listed under Annexure-6.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Ability to consistently achieve sales growth while maintaining margins

The company has been able to generate consistent growth in its topline with a compounded annual growth rate (CAGR) of 11% (FY21-FY25), while maintaining the PBILDT margin in 13%-15% range for the past three years. In FY25, TCPL's TOI grew by 16% to ₹17,618 crore, largely driven by strong performance in the branded and non-branded business. The India branded business continued its momentum, with growth supported by both the core portfolio—tea and salt—and growth businesses, which includes Ready-to-Drink (RTD), Tata Sampann, Tata Soulfull, and newly integrated brands Capital Foods and Organic India.

Growth in the core business was led by volume expansion, supported by increased distribution reach and a continued focus on premiumisation across both tea and salt categories. The growth businesses—including Tata Sampann, Tata Soulfull, RTD, Ready-

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

to-Eat, Capital Foods and Organic India—continued to outpace the core portfolio, with their contribution to the India business increasing from 18% in FY24 to 28% in FY25, reflecting successful diversification and scaling.

The international business grew by 16%, despite softness in the tea category, competitive intensity, and supply chain disruptions. Growth was also aided by price increases across markets.

The non-branded business grew by 21%, primarily driven by higher volumes and improved price realisation in plantations and solubles.

In FY25, TCPL witnessed continued improvement in overall profitability, with consolidated PBILDT rising by 8.5% y-o-y to ₹2,479 crore. However, PBILDT margin declined from 15.0% to 14.1%, primarily due to significant tea cost inflation in the India business. The international business saw margin expansion, driven by pricing interventions, benefits from restructuring and integration, and easing inflationary pressures. The non-branded business also recorded strong margin gains, supported by better realisations in the soluble segment and a favourable mix of value-added products. Fair valuation gains in coffee plantations, aided by a steep rise in robusta coffee prices, contributed positively to margins.

Comfortable credit risk profile

TCPL's financial risk profile is marked by increasing income and cash accrual levels aided by organic and inorganic growth, strong net worth base, and healthy cash and liquid investment balance. TCPL had healthy cash accruals of ₹1,925 crore in FY25 and liquid investments amounting to ₹3,089 crore (mainly invested in deposits and mutual funds) as on March 31, 2025. Overall gearing as on March 31, 2025, stood at 0.11x against 0.20x as on March 31, 2024. The reduction in total debt levels was primarily driven by the repayment of short-term borrowings, specifically the commercial paper issued to fund acquisitions. This repayment was facilitated through proceeds from ₹2,995.83 crore rights issue completed in FY25. As a result, short-term debt declined significantly, and the company transitioned to a net debt-negative position, reflecting an improved financial flexibility. Interest coverage ratio stood strong at 8.5x in FY25 aided by strong profitability. In the absence of major debt-funded capex, overall gearing and coverage ratios are expected to remain at comfortable levels.

Well-established brand portfolio and geographic presence

TCPL has well-established products across different categories and geographies. Its product portfolio consists of globally known brands, including Tetley, Tata Tea, Teapigs, Tata Salt, and Eight O'Clock Coffee, all of which enjoy strong brand equity. Tata Tea continues to be one of the market leaders in the tea category in India. Tetley, the international tea brand of the group, remains the third-largest tea brand in the UK and the largest tea brand in Canada.

In the India food segment, Tata Salt commands the highest market share among its peers, while Tata Sampann and Tata Soufull are leading brands in pulses, spices, and millets-based breakfast cereal and snack categories. In liquid beverages, TCPL owns the Himalayan, Tata Copper, Fruski, and Tata Gluco+ brands. It also operates Tata Starbucks cafés, a joint venture with Starbucks Corporation, with 479 stores across 80 cities in India as on March 31, 2025. With the recent acquisitions of Capital Foods and Organic India, the company has entered the desi Chinese category including sauces, ginger garlic paste, and organic wellness segments, further diversifying its product portfolio.

Overall, in FY25, the India Beverages segment (includes Packaged Beverages, RTD and Organic India) accounted for 34% of the revenue, India Foods (includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods) contributed 32%, and International Beverages made up 24%. Remaining 10% came from the non-branded segment, which includes plantation and extraction businesses of tea and coffee.

TCPL's branded portfolio in India is supported by a well-developed network of 13,500+ channel partners (including distributors and sub-distributors). The company has rapidly expanded its distribution network, from ~ 0.7 million outlets in direct reach in 2021 to 2.0 million outlets in FY25. The company continues to launch new products to keep pace with changing consumer preferences through innovation and strategic acquisitions. The innovation-to-sales ratio for India improved from 3.4% in FY23 to 5.2% in FY25. TCPL has completed the integration of Capital Foods and Organic India, successfully expanding its distribution footprint and driving growth across brands.

Part of the Tata group with a strong leadership team

The Tata group, established by Jamshedji Tata in 1868, is a global enterprise, headquartered in India, comprising 31 companies across 10 verticals. The group operates in over 100 countries across six continents. The promoter group including the principal investment holding company, Tata Sons Private Limited (Tata Sons) holds 33.84% share in TCPL as on June 30, 2025. The board

of directors of TCPL consists of four independent directors, one non-independent director, and three directors. N Chandrasekaran, Chairman of TCPL, is also the Chairman of the board of Tata Sons (since January 2017). He also chairs the boards of several group companies, including Tata Steel, Tata Motors, Tata Power, Indian Hotels, and Tata Consultancy Services (TCS), of which he was the Chief Executive Officer from 2009-17. The board of directors is backed by an experienced top management team consisting of Sunil Dsouza, Managing Director and Ashish Goenka, Group Chief Financial Officer. With nearly three decades of rich experience, Sunil Dsouza has strong domain knowledge of the consumer products business, with distinct focus on strategy, growth, and execution.

Key weaknesses

Exposure to commodity and currency risk

TCPL is exposed to fluctuations in the prices of tea and coffee. TCPL manages the sourcing of tea through auctions and from private producers. TCPL manages commodity risk by actively managing the sourcing of tea and with the ability to implement price increases, when deemed necessary. The risks associated with coffee is hedged through available structures. TCPL's profitability is susceptible to volatile commodity prices (tea and coffee), notwithstanding TCPL's ability to limit the impact, as demonstrated over the years, with strategies in place for procurement and hedging. TCPL, having operations across geographies, is exposed to the foreign currency risk, which is managed through forwards and option contracts under the board-approved hedging policies.

Liquidity: Strong

The company's liquidity is strong marked by healthy cash accruals and cash and liquid investments. In FY25, the company generated cash accruals of over ₹1,925 crore against scheduled debt repayment obligation of ₹45 crore (excluding lease liabilities). TCPL has also repaid the CPs raised for the acquisition. The company has repayment obligations of ₹40-45 crore in FY26. Given the expectation of continued strong cash accruals of ~₹2,200 crore in FY26, CareEdge Ratings expects it to comfortably meet its debt obligations. The company has robust liquidity position marked by cash and liquid investments of over ₹3,089 crore as on March 31, 2025, which provides additional support. Average utilisation of fund based working capital limits (at standalone level) for 12 months ended August 2025 stood at ~20%. Of the total sanctioned limit, ~80% (or over ₹500 crore) remained unutilised and is available to support incremental working capital requirements in the next year. TCPL intends to inject more funds into Vietnam via opening a new freeze-dried coffee facility there. The total project cost is expected to be ~₹450 crore, which shall be funded via a mix of term loans and internal accruals.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Environment:

Since TCPL has a healthy dependence on agricultural commodities, such as tea and coffee, agro climatic conditions have a significant impact on the company's financials. On one hand, it will impact the input prices and on the other it will impact the rural demand for its other products. The other environmental factors having an impact on fast-moving consumer goods (FMCG) companies are the eco-friendly packaging and carbon emissions. The company's environmental targets include the following:

Net zero energy by 2040, water neutral, zero waste to landfill for beverages factories and 100% packing material to be recyclable, compostable or reusable across geographies by 2030.

Social:

Social risks include product safety, new avenues of growth in health & nutrition and prioritising employee safety. In terms of product safety, the company has established company-wide quality assurance programme and in terms of nutrition content, and has been introducing innovative products focusing on health and wellness of its consumers. TCPL prioritises employee health and wellbeing and takes numerous measures to provide a safe working environment.

Governance:

Governance remains a universal concept affecting all companies. TCPL has obtained certificate regarding compliances of mandatory conditions of the Corporate Governance per the relevant regulations. The company's past track record and ongoing commitment towards high governance mitigates the associated risks to a great extent.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Diversified FMCG	Diversified FMCG

TCPL is a Tata group company and among the top 10 FMCG companies in India, with a portfolio of offerings in foods and beverages. The company's portfolio of products includes tea, coffee, water, RTD, salt, pulses, spices, Ready-To-Cook and Ready-To-Eat offerings, breakfast cereals, and snacks. The company owns brands, including Tata Tea, Tata Salt, Tetley, Eight O'Clock Coffee, and Himalayan Water and new-age brands, including Tata Sampann, Tata Coffee Grand, Teapigs, Good Earth, Tata Copper Plus, Ching's Secret, Tata Gluco Plus, Smith & Jones, Organic India, Tata Soufull, and Ready-To-Eat (Tata Sampann Yumside and internationally Tata RAASA). It is the second-largest branded tea player globally and houses the largest salt brand in India and is expanding its portfolio into other product categories such as pantry staples, snacks, Ready-To-Eat, RTD, breakfast cereals, protein, and supplements. TCPL's most recent acquisitions include a 75% stake in Capital Foods and a 100% stake in Organic India, adding three high-impact brands—Ching's Secret, Smith & Jones, and Organic India—to its portfolio. It has a brand presence in over 40 countries across the US, Canada, Europe, the UK, the Middle East, South Asia, and Africa.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	15206	17618	4779
PBILDT	2284	2479	607
PAT	1215	1287	332
Overall gearing (times)	0.20	0.11	NA
Interest coverage (times)	17.60	8.54	17.85

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Short Term Instruments-CP/ Short Term loan	INE192A14838	15-Sep-25	5.94%	16-Dec-25	100.00	CARE A1+
Short Term Instruments-CP/ Short Term loan	INE192A14846	18-Sep-25	5.95%	17-Dec-25	150.00	CARE A1+
Short Term Instruments-CP/ Short Term loan	Proposed	-	-	7-365 days	1250.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Short Term Instruments-CP/ Short Term loan	ST	1500.00	CARE A1+	-	1)CARE A1+ (22-Jan-25)	1)CARE A1+ (23-Jan-24) 2)CARE A1+ (25-Jul-23)	1)CARE A1+ (04-Aug-22)
2	Commercial Paper-Commercial Paper (Standalone)	ST	-	-	-	1)Withdrawn (22-Jan-25)	1)CARE A1+ (23-Jan-24)	-
3	Short Term Instruments-CP/ Short Term loan	ST	-	-	-	1)Withdrawn (22-Jan-25)	1)CARE A1+ (23-Jan-24)	-

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities- Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Short Term Instruments-CP/ Short Term loan	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr. No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Tata Consumer Products UK Group Limited	Full	Subsidiary
2	Tata Global Beverages Holdings Limited	Full	Subsidiary
3	Tata Global Beverages Services Limited	Full	Subsidiary
4	Tata Consumer Products GB Limited	Full	Subsidiary
5	Tata Consumer Products Overseas Holdings Limited	Full	Subsidiary
6	Tata Global Beverages Overseas Limited	Full	Subsidiary
7	Lyons Tetley Limited	Full	Subsidiary
8	Drassington Limited	Full	Subsidiary
9	Teapigs Limited	Full	Subsidiary
10	Teapigs US LLC	Full	Subsidiary
11	Stansand Limited	Full	Subsidiary
12	Stansand (Brokers) Limited	Full	Subsidiary
13	Stansand (Africa) Limited	Full	Subsidiary
14	Stansand (Central Africa) Limited	Full	Subsidiary
15	Tata Global Beverages Polska sp.zo.o	Full	Subsidiary
16	Tata Consumer Products US Holdings Inc.	Full	Subsidiary
17	Tata Consumer Products US Inc. (Formerly Tetley USA Inc.)	Full	Subsidiary
18	Tata Waters LLC (up to June 30, 2024)	Full	Subsidiary
19	Good Earth Corporation (up to June 30, 2024)	Full	Subsidiary
20	Good Earth Teas Inc. (up to June 30, 2024)	Full	Subsidiary
21	Tata Consumer Products Canada Inc.	Full	Subsidiary
22	Tata Consumer Products Australia Pty Limited	Full	Subsidiary
23	Tata Global Beverages Investments Limited	Full	Subsidiary
24	Suntyno Holding Limited	Full	Subsidiary
25	Onomento Co Limited	Full	Subsidiary
26	Tata Consumer Products Capital Limited	Full	Subsidiary
27	Capital Foods Private Limited (w.e.f February 01, 2024)	Full	Subsidiary
28	Tata Coffee Vietnam Company Limited	Full	Subsidiary
29	Consolidated Coffee Inc.	Full	Subsidiary
30	Eight O'Clock Holdings Inc. (up to June 30, 2024)	Full	Subsidiary
31	Eight O'Clock Coffee Company (up to June 30, 2024)	Full	Subsidiary
32	Tata Tea Extractions Inc.	Full	Subsidiary
33	Tata Tea Holdings Private Limited	Full	Subsidiary
34	TRIL Constructions Limited	Full	Subsidiary
35	Tata Coffee Limited (Formerly TCPL Beverages & Foods Limited)	Full	Subsidiary
36	Joekels Tea Packers (Proprietary) Limited	Full	Subsidiary
37	Tata Consumer Products Bangladesh Limited (Formerly Tetley ACI (Bangladesh) Limited) (converted from JV to Subsidiary on February 9, 2023)	Full	Subsidiary
38	Organic India Private Limited (on April 16, 2024)	Full	Subsidiary
39	Organic India USA LLC (on April 16, 2024)	Full	Subsidiary
40	Tata Starbucks Private Limited	Proportionate	Joint venture
41	Tetley Clover (Pvt) Limited (under liquidation)	Proportionate	Joint venture
42	Amalgamated Plantations Private Limited	Proportionate	Associate
43	Kanan Devan Hills Plantation Company Private Limited	Proportionate	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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