

Tata Consumer Products Limited

October 06, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Short-term instruments - Commercial Paper / Short-term loan	RBI	1,500.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the commercial paper (CP) issue of Tata Consumer Products Limited (TCPL) continues to draw comfort from the company's strong and established market position in the domestic and international branded tea business, and its leadership position in the domestic branded salt segment.

The rating further factors in TCPL's consistent growth in scale of operations over the years with total operating income (TOI) reaching ₹20,290 crore in FY26, supported by a combination of strategic acquisitions, continuous product portfolio expansion supported by a well-entrenched distribution network with extensive pan-India reach. While tea and salt remain core pillars of its business, TCPL has successfully diversified its product portfolio in adjacent food and beverage categories across ready-to-drink (RTD) beverages, pulses, besan, cold-pressed oils, millet-based snacks, and ready-to-eat foods. More recently, the acquisitions of Capital Foods and Organic India have strengthened its presence in high-growth and premium segments through the addition of three brands: Ching's Secret, Smith & Jones, and Organic India.

The rating also continues to benefit from TCPL's association with the Tata Group, which provides strong parentage and financial flexibility. The rating derives support from the company's experienced management team, strong brand equity, and demonstrated track record of executing strategic acquisitions while maintaining steady operational performance. Furthermore, TCPL's healthy financial risk profile, characterised by stable profitability, comfortable capital structure and strong liquidity, remains key rating strengths.

Rating strengths mostly offset the company's relatively moderate return on capital employed (ROCE), primarily due to the significant capital deployed towards multiple acquisitions undertaken over the years. Additionally, company's profitability remains exposed to fluctuations in key commodity prices, particularly tea and coffee, and foreign exchange rate movements.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

Not applicable

Negative factors

- 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 strong operational, managerial, and financial linkages between TCPL and its subsidiaries, joint ventures (JV), and associates. List of subsidiaries are given under Annexure-5.

Outlook: Not applicable

Detailed description of key rating drivers

Key strengths

Established brands with diversified product offerings and global presence

TCPL benefits from a portfolio of well-established brands with leadership positions across multiple product categories and geographies, underpinning its strong business profile. In India, the company enjoys a leading presence in branded tea and salt

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

segments through brands, such as 'Tata Tea' and 'Tata Salt', while steadily expanding its presence in higher-growth food and beverage categories. Its growth product portfolio includes Tata Sampann (offering staples, such as pulses, poha, besan, spices, and cold press oils, among others), Tata Soufull (millet-based snacks), RTD Beverages (Himalayan, Tata Copper Water, Tata Gluco Plus), and Tata Smartfoodz (ready-to-eat category). More recently, the acquisitions of Capital Foods (additions of brands, such as Chings Secret and Smith & Jones) and Organic India have strengthened its presence in high-growth and premium segments, such as organic teas and infusions, health and wellness offerings, sauces, chutneys, and noodles, among others. It also operates Tata Starbucks cafés, a JV with Starbucks Corporation, with 502 stores across 80 cities in India as on March 31, 2026. Internationally, its portfolio comprises globally recognised brands, such as Tetley, Teapigs, and Eight O'Clock Coffee, with Tetley being the largest tea brand in Canada and the third-largest tea brand in the United Kingdom (the UK), while TCPL also maintains a meaningful presence in the United States (the US) coffee markets.

Overall, in FY26, the India beverages segment (includes packaged beverages, RTD, and Organic India) and India foods segment (includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods) accounted for 32% of the revenue each, while international and non-branded segment (which includes plantation and extract business of tea and coffee) contributed ~24% and ~12% of the revenue respectively. The company's growth portfolio (comprising Tata Sampann, Tata Soufull, RTD beverages, ready-to-eat products, Capital Foods, and Organic India) outperformed the company's core business with its revenue share increasing to ~31% in FY26 from ~18% in FY24, growing at a compounded annual growth rate (CAGR) of ~50% for last two years ended FY26.

Its strong brand equity is supported by an extensive distribution network reaching ~4.5+ million retail outlets (up from 2 million outlets in FY21) in India. Continued investments in innovation and brand building led to 80 new product launches, with innovations contributing 4.5% of sales in FY26. Furthermore, Capital Foods and Organic India are expected to strengthen portfolio diversification and support sustainable growth in the medium term.

Sustained growth in the company's scale of operations, while maintaining its operating margins

TCPL's TOI grew at a CAGR of 13% for four years ended FY26, reaching ₹20,290 crore in FY26, driven by sustained organic growth across its portfolio and strategic acquisitions, with FY26 recording a growth of 15% on a year-over-year (y-o-y) basis. The company's India branded business grew by 14% on a y-o-y basis to ₹12,779 crore in FY26, driven by steady growth in the core tea and salt portfolios and continued strong traction in growth businesses. While core businesses grew by ~10%, the growth portfolio expanded by ~24% y-o-y. The international business grew by 15% on a y-o-y to ₹5,251 crore in FY26 (FY25: ₹4,549 crore), supported by marginal volume growth and higher realisations from the US coffee business and favorable currency movements. While the non-branded business grew 25% y-o-y, primarily driven by higher volumes and improved price realisations across coffee plantations and coffee soluble businesses.

TCPL's profitability margins generally remained range-bound at ~13-15% for five years ended FY26. While margins in the India branded business benefited from premiumisation, integration synergies, and easing inflationary pressures, profitability in international and non-branded segments was impacted by elevated green coffee prices, US tariffs, and normalisation of commodity-related gains in the non-branded business recorded in the previous year.

In Q1FY27, TCPL reported TOI of ₹5,349 crore, reflecting 12% y-o-y growth, with PBILDT margin of 13.54%. The company expects the growth momentum to continue with revenue to grow in range of 12-15% in FY27, with PBILDT margins being marginally better than FY26.

Comfortable financial risk profile

TCPL's financial risk profile remains strong, supported by its sizeable net worth of over ₹23,000 crore (including acquired goodwill and intangible assets related to acquisition), robust cash flow generation, and limited reliance on external borrowings. Following the ₹2,995 crore rights issue and repayment of acquisition-related debt raised for Capital Foods and Organic India in FY25, the company has maintained a net debt negative position for two years ended FY26. TCPL's overall gearing and total outside liabilities to tangible net worth (TOL/TNW) of 0.12x and 0.39x, respectively, in FY26-end. Repayment of debt availed for acquisition in FY25, translated into a significant improvement in the PBILDT interest coverage ratio to 20.37x in FY26 from 8.54x in FY25, while total debt to PBILDT (TD/PBILDT) remained healthy at 1.01x (FY25: 0.97x).

CareEdge Ratings also notes that TCPL is expected to acquire the balance ~25% stake in Capital Foods from FY27-FY28. Given the company's strong liquidity and steady cash accruals, the acquisition is expected to be largely funded through internal accruals, and hence, no material deterioration anticipated in its capital structure. In the absence of large debt-funded acquisitions or capex plans, the company's TOL/TNW is expected to remain at around 0.40x in the medium term.

Part of Tata group, driven by established and experienced management

TCPL benefits from its association with the Tata group, one of India's most established and diversified business conglomerates. As on June 30, 2026, the promoter group, including the flagship company, Tata Sons Private Limited (Tata Sons), held a 33.83% stake in the company. TCPL is guided by an experienced board headed by N. Chandrasekaran, Chairman of Tata Sons and several Tata group companies. The company's operations are supported by an experienced management team led by Sunil D'Souza, Managing Director and Chief Executive Officer (CEO), and Ashish Goenka, Group Chief Finance Officer (CFO). With nearly three decades of experience in the consumer products sector, Sunil D'Souza has played a key role in driving TCPL's growth, portfolio diversification, and execution capabilities, underpinning the company's strong market position.

Key weaknesses

Moderate return on capital employed

TCPL continues to invest in inorganic growth opportunities to strengthen its product portfolio, expand brand presence, and enhance category diversification. Significant investments towards strategic acquisitions in the past, including Capital Foods and Organic India in recent time, have led to sizeable capital deployment in the last few years. Consequently, return indicators remained moderate, with consolidated ROCE at 11.36% in FY26 (FY25: 9.43%). CareEdge Ratings expects ROCE to remain moderate in the near-to-medium term, considering the sizeable acquisition-related investments and premium payments, while full benefits and synergies from these acquisitions are likely to materialise only over a longer period.

Exposure to commodity, currency, and competitive risks

TCPL's profitability remains susceptible to volatility in tea and coffee prices, foreign exchange fluctuations, and intense competition across its key categories. The sharp rise in domestic tea prices and green coffee costs in the US exerted pressure on margins; however, the impact was partially offset through calibrated price increases, premiumisation, cost optimisation initiatives, and dynamic sourcing strategies. Commodity risks are mitigated through active tea procurement management and selective price pass-throughs, while coffee price risks are partly managed through commodity hedging for its plantation and US businesses. The company also partially hedges its net foreign currency exposures through forward contracts and option structures under its risk management framework.

Competitive intensity from national and regional players across tea, coffee, salt, foods, and beverages, and evolving consumer preferences, remains a key monitorable. Sustained raw material inflation, adverse currency movements, or heightened competitive pressures could constrain the company's ability to pass on cost increases. TCPL has demonstrated its ability to navigate such challenges, maintaining PBILDT margins broadly in the 13-15% range in the last five years, supported by sustained investments in innovation, brand building, premiumisation, and cost-efficiency initiatives across categories.

Liquidity: Strong

TCPL's liquidity profile remains strong, underpinned by healthy financial flexibility, robust cash flow generation, substantial liquid investments, and diversified access to bank and capital market funding. The company is expected to generate GCA of ~₹2,500 crore in FY27, which are likely to comfortably cover its modest scheduled debt repayments of ~₹50 crore and fund the planned annual capex of ₹400-500 crore towards routine maintenance and expansion of the freeze-dried coffee facility in Vietnam.

The company has consistently reported strong operating cash flows, supported by prudent working capital management, favourable creditor support, and a relatively short operating cycle of 25 days in FY26. Consolidated cash flow from operations stood at around ₹2,400 crore in FY26. The company's liquidity is further bolstered by free cash and liquid investments of over ₹4,200 crore as on March 31, 2026, and unutilised bank working capital limits exceeding ~₹500 crore on a standalone basis. Average utilisation of fund-based working capital facilities remained low at ~10% for 12 months ended August 2026, providing significant financial headroom. Consequently, CareEdge Ratings believes that TCPL's healthy cash accrual generation, sizeable liquidity reserves, and strong financial flexibility are adequate to comfortably meet its operational requirements, planned capex, debt servicing obligations, and the expected outflow in FY27 and FY28, towards acquisition of balance stake of 25% in Capital Foods.

Environmental, social and governance (ESG) risks

Environmental	TCPL faces climate-related risks due to its exposure to tea and coffee procurement. The company has achieved carbon neutrality for Scope 1 and 2 emissions, maintained water-positive and zero-waste-to-landfill operations, increased renewable energy usage to 47%, and targets 100% recyclable/reusable/ compostable packaging by 2030.
---------------	--

Social	- TCPL continues to focus on consumer health, product quality, employee well-being, responsible sourcing, and community development through its #ForBetter Living strategy. The company has strengthened product safety systems and accelerated innovation in health and wellness categories. - 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	- TCPL benefits from the governance framework of the Tata Group, which is widely recognised for high standards of corporate governance, ethical conduct, and stakeholder protection. - The company follows a well-defined governance structure with independent directors, specialised board committees, and periodic reviews of operational, financial, compliance, and ESG-related matters. - Established policies govern ethics, whistleblower mechanisms, anti-corruption practices, insider trading, related-party transactions, diversity, equal opportunity, and employee conduct

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 (FMCG)	FMCG	Diversified FMCG	Diversified FMCG

TCPL is a Tata group company and among the top 10 fast-moving consumer goods (FMCG) companies in India, with a portfolio of offerings in foods and beverages. The company's product portfolio 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 and Yumside). 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 Financials (₹ crore)-Consolidated	March 31, 2025 (A)	March 31, 2026 (A)	June 30, 2026 (UA)
Total operating income	17,618	20,290	5,349
PBILDT*	2,479	2,792	724
Profit after tax (PAT)	1,287	1,547	427
Overall gearing (x)	0.11	0.12	NA
Interest coverage (x)	8.54	20.37	18.52

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

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Short Term Instruments-CP/ Short Term loan	RBI	Simple	Proposed	-	-	-	1500.00	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 2026-2027	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
1	Short Term Instruments-CP/ Short Term loan	ST	1500.00	CARE A1+	-	1)CARE A1+ (07-Oct-25)	1)CARE A1+ (22-Jan-25)	1)CARE A1+ (23-Jan-24) 2)CARE A1+ (25-Jul-23)
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: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Tata Coffee Ltd.	Full	Subsidiary
2	Tata Coffee Vietnam Company Ltd.	Full	Subsidiary
3	Capital Foods Private Ltd.	Full	Subsidiary
4	Organic India Private Ltd.	Full	Subsidiary
5	Organic India USA, LLC	Full	Subsidiary
6	TRIL Constructions Ltd.	Full	Subsidiary
7	Tata Consumer Products Capital Ltd.	Full	Subsidiary
8	Tata Consumer Products UK Group Ltd.	Full	Subsidiary
9	Tata Consumer Products GB Ltd.	Full	Subsidiary
10	Tata Consumer Products Overseas Holdings Ltd.	Full	Subsidiary
11	Tata Consumer Products US Holdings Inc.	Full	Subsidiary
12	Tata Consumer Products US Inc.	Full	Subsidiary
13	Tata Consumer Products Canada Inc.	Full	Subsidiary
14	Tata Consumer Products Australia Pty Ltd.	Full	Subsidiary
15	Joekels Tea Packers (Proprietary) Ltd.	Full	Subsidiary
16	Tata Consumer Products Polska sp.z.o.o	Full	Subsidiary
17	Stansand (Africa) Ltd.	Full	Subsidiary
18	Stansand (Central Africa) Ltd.	Full	Subsidiary
19	Tata Consumer Products Bangladesh Ltd.	Full	Subsidiary
20	Teapigs Ltd.	Full	Subsidiary
21	Teapigs US LLC	Full	Subsidiary
22	Tata Global Beverages Holdings Ltd.	Full	Subsidiary
23	Tata Global Beverages Services Ltd.	Full	Subsidiary
24	Tata Global Beverages Overseas Ltd.	Full	Subsidiary
25	Lyons Tetley Ltd.	Full	Subsidiary
26	Drassington Ltd.	Full	Subsidiary
27	Stansand Ltd.	Full	Subsidiary
28	Stansand (Brokers) Ltd.	Full	Subsidiary
29	Tata Global Beverages Investments Ltd.	Full	Subsidiary
30	Suntycos Holding Ltd.	Full	Subsidiary
31	Onomento Co Ltd.	Full	Subsidiary
32	Consolidated Coffee Inc.	Full	Subsidiary
33	Tata Tea Extractions Inc.	Full	Subsidiary
34	Tata Tea Holdings Private Ltd.	Full	Subsidiary
35	Tata Starbucks Private Limited	Moderate	Joint Venture
36	Tetley Clover (Pvt) Limited (under liquidation)	Moderate	Joint Venture
37	Amalgamated Plantations Private Limited	Moderate	Associate
38	Kanan Devan Hills Plantation Company Private Limited	Moderate	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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754-3453 E-mail: Ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in	Krunal Pankajkumar Modi Director CARE Ratings Limited Phone: 079-40265614 E-mail: krunal.modi@careedge.in
	Komal Vinit Soni Assistant Director CARE Ratings Limited Phone: 079-40265625 E-mail: komal.israni@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**