

Do Mergers and Acquisitions Create Value for Acquiring-Firm Shareholders? A Case Study of Tata Consumer Products' Acquisition of Capital Foods

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Abstract

Mergers and acquisitions (M&A) are among the most important strategic decisions available to corporations, but whether acquisitions actually create value for shareholders remains contested. This paper examines whether Tata Consumer Products Limited's (TCPL) acquisition of Capital Foods created value for TCPL shareholders. Announced on January 12, 2024, the transaction valued Capital Foods at approximately ₹5,100 crore and gave TCPL control of brands including Ching's Secret and Smith & Jones. The analysis combines an event study of TCPL's share-price reaction around the announcement with a discounted cash flow (DCF) valuation of Capital Foods and an assessment of the target's subsequent financial performance. The event study indicates a positive announcement-day abnormal return of approximately 2.41%, suggesting that investors initially viewed the acquisition favourably. The cumulative abnormal return over the wider event window was also positive. However, the DCF analysis produces a much more cautious conclusion. Under the base-case assumptions, the estimated enterprise value is approximately ₹5,040 crore, broadly close to the ₹5,100 crore purchase price. This indicates limited initial valuation headroom. Post-acquisition performance provides some support for the strategic rationale of the transaction. Capital Foods' revenue increased from approximately ₹705.5 crore in FY2023 to ₹799 crore in FY2025, although this growth was more moderate than the assumptions used in the base-case valuation model. Overall, the evidence suggests that the acquisition was strategically sensible and received a positive initial market response, but the transaction did not generate an unequivocal valuation gain at the acquisition date. The ultimate creation of shareholder value therefore depends on TCPL's ability to achieve sustained revenue growth, margin expansion, distribution synergies and international scale.

Keywords: mergers and acquisitions, shareholder wealth, event study, abnormal returns, Tata Consumer Products, Capital Foods, valuation, synergies

1. Introduction

Mergers and acquisitions are frequently used by companies to accelerate growth, enter new markets, acquire brands and technologies, and achieve economies of scale. Despite their strategic appeal, the financial evidence on M&A is mixed. While some acquisitions create substantial value through synergies and improved operating performance, others destroy shareholder wealth because acquiring firms overpay, underestimate integration costs or fail to realise expected synergies (Andrade et al., 2001; Jensen & Ruback, 1983). A central question in corporate finance is therefore whether an acquisition creates value for the shareholders of the acquiring company. The question is particularly important because shareholders of the acquiring firm bear the

cost of the transaction while the target's shareholders generally receive a premium for surrendering control. This paper examines this question through the acquisition of Capital Foods by Tata Consumer Products Limited (TCPL). Capital Foods owns well-known consumer brands including Ching's Secret and Smith & Jones. TCPL announced on January 12, 2024, that it would acquire 100% of Capital Foods at an enterprise value of approximately ₹5,100 crore. TCPL initially acquired a 75% stake for approximately ₹3,825 crore, with the remaining 25% to be acquired subsequently.

The transaction is an interesting case for analysing shareholder value because it combined a significant acquisition price with a strong strategic rationale. Capital Foods provided TCPL with exposure to faster-growing categories such as instant noodles,

sauces, condiments and cooking aids. The acquisition also offered potential distribution, procurement, manufacturing and international-expansion synergies.

The research question examined in this paper is:

Did Tata Consumer Products' acquisition of Capital Foods create value for TCPL shareholders, and was the acquisition price justified by the target's subsequent financial performance and potential synergies?

To answer this question, the paper uses three complementary approaches. First, an event study examines TCPL's stock-market reaction around the acquisition announcement. Second, a DCF model estimates the fundamental value of Capital Foods under explicit operating assumptions. Third, post-acquisition revenue performance is examined to determine whether the business has developed in line with the expectations embedded in the acquisition rationale.

2. Literature Review

2.1 Synergy and Value Creation

The primary theoretical justification for acquisitions is that the combined company can be worth more than the two companies operating independently. This is commonly expressed as:

$$V_{AB} > V_A + V_B$$

$$AB > A + B$$

The difference represents the potential value of synergies.

Synergies can arise through several channels. Revenue synergies may result from cross-selling, expanded distribution, stronger brands or access to new markets. Cost synergies may arise from economies of scale, procurement efficiencies, shared manufacturing infrastructure or elimination of duplicated corporate functions. However, the existence of potential synergies does not automatically mean that the acquisition creates value for acquiring shareholders. The acquiring firm must pay a price that is sufficiently below the value of the target to retain some of the synergy benefits. Jensen and Ruback (1983) argue that the market for

corporate control can improve resource allocation by transferring assets to more efficient managers. However, the price paid for the target is critical because a sufficiently large acquisition premium can transfer much of the expected value from acquiring shareholders to target shareholders. Andrade et al. (2001) similarly find that merger activity is associated with substantial gains for target shareholders, while the gains for acquiring shareholders are generally smaller and more variable.

2.2 Hubris Hypothesis

One explanation for unsuccessful acquisitions is managerial overconfidence. Roll's (1986) hubris hypothesis proposes that managers may overestimate their ability to generate value from acquisitions and consequently pay excessive prices for target companies.

Under the hubris hypothesis, managers may believe that their strategic vision, management capabilities or ability to generate synergies is superior to what the market anticipates. This can result in acquisition premiums that exceed the target's fundamental value.

The Capital Foods transaction provides a useful setting for evaluating this issue because TCPL paid an enterprise value equivalent to more than seven times Capital Foods' FY2023 revenue. The valuation therefore required considerable future growth and profitability to justify the purchase price.

2.3 Empirical Evidence on M&A

Empirical research generally finds that target shareholders receive the largest immediate benefits from acquisitions because target firms are typically purchased at premiums.

Acquiring shareholders, in contrast, tend to experience smaller gains, and in some cases negative returns (Andrade et al., 2001).

Event studies are particularly useful for examining this issue because stock prices incorporate investors' expectations rapidly. If an acquisition is expected to create value, the acquiring firm's stock price should rise around the announcement date. Conversely, a negative abnormal return can indicate that investors

believe the acquisition is overpriced or that the expected synergies are insufficient.

However, short-term market reactions do not necessarily reveal the long-term success of an acquisition. A transaction may initially be welcomed by investors but later fail operationally. Conversely, a transaction may receive a neutral or negative announcement reaction but generate substantial value over several years.

For this reason, this paper combines event-study evidence with fundamental valuation and post-acquisition operating performance.

3. The Capital Foods Acquisition

On January 12, 2024, Tata Consumer Products announced that it had agreed to acquire Capital Foods, the owner of brands including Ching's Secret and Smith & Jones.

The transaction valued Capital Foods at approximately ₹5,100 crore. TCPL initially acquired 75% of the company for approximately ₹3,825 crore and agreed to acquire the remaining 25% within three years.

Capital Foods generated approximately ₹705.5 crore in revenue in FY2023, compared with approximately ₹574 crore in FY2022. The transaction therefore represented an enterprise-value-to-revenue multiple of approximately:

$$EV/Revenue = 5100/705.5$$

Approx. 7.23x

This is a substantial revenue multiple for a packaged-food business and implies that investors expected significant future growth, profitability and synergies.

Table 1. Acquisition overview

Metric	Value
Acquisition announcement date	12 January 2024
Enterprise value	₹5,100 crore
Initial stake acquired	75%
Initial consideration	₹3,825 crore
Remaining stake	25%
FY2023 revenue	₹705.5 crore
FY2022 revenue	₹574 crore
Enterprise value / FY2023 revenue	7.23×

Figure 1. Capital Foods Acquisition Valuation.

Note. Acquisition enterprise value and FY2023 revenue are shown in ₹ crore.

4. Strategic Rationale

4.1 Brand Expansion

Capital Foods gave TCPL immediate ownership of established brands rather than requiring the company to build new brands organically. Ching's Secret provided TCPL with a strong position in Chinese-inspired cooking products, while Smith & Jones provided exposure to sauces, seasonings and related categories. These brands complemented TCPL's existing portfolio and allowed the company to expand its presence in the broader packaged-food market.

4.2 Distribution Synergies

TCPL already possessed a large distribution network across India. Capital Foods could therefore potentially use TCPL's distribution infrastructure to increase penetration into smaller cities and rural markets.

This creates an important potential revenue synergy. If the acquired brands can be distributed through TCPL's existing network without proportionate increases in selling and distribution expenses, the acquisition can increase both revenue and operating margins. Cost Synergies The transaction also offered potential cost synergies through procurement, logistics, manufacturing and corporate overheads. For example, a larger combined procurement base could improve bargaining power

with suppliers. Similarly, shared logistics and distribution infrastructure could reduce the average cost of reaching consumers.

These synergies are particularly important because the acquisition valuation requires substantial future cash flows to justify the ₹5,100 crore purchase price

4.3 International Expansion

Capital Foods had an international presence, creating an opportunity for TCPL to expand the brands outside India.

TCPL's international operations and distribution capabilities could provide Capital Foods with additional access to markets where Indian and Asian food products have growth potential.

4.4 Category Expansion

The acquisition also expanded TCPL's exposure to

The three approaches measure different dimensions of value creation:

Method	What it measures
Event study	Immediate investor expectations
DCF valuation	Fundamental economic value
Post-acquisition performance	Realised operating outcomes

This combination is preferable to relying on a single metric because M&A value creation is both a financial and strategic phenomenon.

6. Event-Study Methodology

The event study examines TCPL's share price around the January 12, 2024 announcement. The daily stock return is calculated as:

$$R_t = \frac{P_t - P_{t-1}}{P_{t-1}}$$

The abnormal return is calculated as:

$$AR_{TCPL,t} = R_{TCPL,t} - R_{Market,t}$$

where the Nifty 50 is used as the market benchmark.

The cumulative abnormal return is:

$$CAR = \sum_t AR_t$$

The analysis considers the trading days surrounding

faster-growing food categories. Rather than relying primarily on beverages and staples, TCPL could increase its presence in convenience foods, instant meals, sauces, condiments and cooking aids. This category diversification was strategically valuable because it reduced TCPL's dependence on any single product category while increasing its addressable consumer market.

5. Research Methodology

This paper uses three methods to evaluate whether the acquisition created shareholder value. First, an event study is used to examine the market reaction to the acquisition announcement. Second, a DCF model is used to estimate the fundamental value of Capital Foods under a set of explicit assumptions. Third, actual post-acquisition revenue performance is compared with the expectations embedded in the valuation model.

the announcement and focuses particularly on the announcement day and the wider event window.

7. Announcement-Day Market Reaction

TCPL's share price increased from approximately ₹1,105.51 on January 11, 2024 to

₹1,144.77 on January 12, 2024. The resulting return was:

$$R_{TCPL} = \frac{1144.77 - 1105.51}{1105.51}$$

approx. 3.55%

During the same period, the Nifty 50 increased from approximately 21,647.20 to 21,894.55:

$$R_{Nifty} = \frac{21894.55 - 21647.20}{21647.20}$$

Therefore:

$$AR = 3.55\% - 1.14\% = 2.41\%$$

The positive abnormal return of approximately

2.41% indicates that TCPL substantially outperformed the broader market on the acquisition announcement date. This suggests that investors

initially considered the acquisition strategically positive.

Table 2. Announcement-day market reaction

Metric	Value
TCPL closing price, 11 January 2024	₹1,105.51
TCPL closing price, 12 January 2024	₹1,144.77
TCPL daily return	3.55%
Nifty 50 return	1.14%
Abnormal return	2.41%

Figure 2. Tata Consumer versus Nifty 50 Around the Acquisition Announcement.

Note. Series are indexed to 100 for comparability.

8. Abnormal Returns

The abnormal-return analysis provides a more detailed view of the market reaction.

Date	Abnormal return
January 5	-0.47%
January 8	-0.69%
January 9	+0.46%
January 10	-0.14%
January 11	+0.34%
January 12	+2.41%
January 15	-1.63%
January 16	-0.32%
January 17	+1.64%
January 18	+1.23%
January 19	+0.55%

The largest positive abnormal return occurred on January 12, exactly when the acquisition was announced.

Figure 3. TCPL Daily Abnormal Returns Around the Announcement.

The positive announcement-day reaction is important because it suggests that investors did not immediately interpret the ₹5,100 crore purchase price as excessive. However, the reaction should not be interpreted as proof that the acquisition ultimately created long-term value. Share prices respond to expectations, and investors may revise those expectations as information about integration, growth and profitability becomes available.

9. Cumulative Abnormal Return

The cumulative abnormal return over the wider event period is positive. Using the daily abnormal returns above:

$$CAR = 3.38\%$$

[-5,5]

The CAR indicates that TCPL generated positive

abnormal performance over the wider event window.

The result provides evidence against the argument that investors considered the acquisition immediately value destructive. Instead, the market reaction suggests that investors expected the transaction to contribute positively to TCPL's long-term growth prospects.

Nevertheless, the event study cannot establish whether the acquisition price was economically justified. For that purpose, a fundamental valuation is required.

10. Financial Model

A DCF model is constructed to estimate the value of Capital Foods based on its expected future free cash flows. The base year is FY2023, when Capital Foods generated approximately ₹705.5 crore of revenue.

The principal assumptions are:

Assumption	Base case
Starting revenue	₹705.5 crore
Revenue growth	20% annually
EBITDA margin	20%
Tax rate	25%
WACC	10%
Capital expenditure	2.5% of revenue
Incremental NWC	2% of incremental revenue
Terminal EBITDA multiple	20×

These assumptions are deliberately transparent because the objective is not to claim that they are certain, but to determine what level of future performance is required to justify the acquisition price.

11. Revenue and EBITDA Forecast

Applying a 20% annual revenue-growth assumption produces the following forecast:

Fiscal year	Revenue (₹ crore)	EBITDA (₹ crore)
FY2023A	705.5	—
FY2024E	846.6	169.3
FY2025E	1,015.9	203.2
FY2026E	1,219.1	243.8
FY2027E	1,462.9	292.6
FY2028E	1,755.5	351.1

The forecast assumes that Capital Foods maintains a 20% EBITDA margin while achieving 20% annual revenue growth.

Figure 5. Capital Foods Projected Revenue Under the Base-Case DCF Assumptions.

The assumptions are relatively demanding. Maintaining 20% annual growth for five years requires the company to expand substantially beyond its historical revenue base.

Free cash flow is estimated using:

$$FCF = EBITDA(1 - T) - Capex - \Delta NWC$$

The resulting estimates are:

12. Free Cash Flow

Fiscal year	EBITDA	Estimated FCF
FY2024E	₹169.3 crore	₹97.7 crore
FY2025E	₹203.2 crore	₹126.8 crore
FY2026E	₹243.8 crore	₹153.7 crore
FY2027E	₹292.6 crore	₹184.7 crore
FY2028E	₹351.1 crore	₹221.7 crore

The model therefore requires Capital Foods to generate rapidly increasing cash flows during the forecast period.

13. Terminal Value

The terminal value is calculated using an exit EBITDA multiple: $TV = \text{Terminal EBITDA} \times \text{Terminal Multiple}$ Using a terminal EBITDA of approximately ₹351.1 crore and a 20×

TV = ₹7,022 crore The terminal value represents a large proportion of the estimated enterprise value. This is important because it means the DCF valuation is sensitive to assumptions regarding long-term growth, margins and the terminal multiple.

14. DCF Valuation

The present value of the forecast free cash flows and terminal value produces an estimated enterprise value of approximately:

DCF = ₹5,040 crore

The acquisition enterprise value was:

Purchase Price = ₹5,100 crore

Therefore:

NPV = ₹5,040-₹5,100

NPV = -₹60 crore

The result is close to break-even.

This is an important finding. The acquisition does not appear dramatically undervalued under the base-case assumptions. Instead, the purchase price approximately reflects the fundamental value produced by the model. Therefore, substantial shareholder value creation would require TCPL to outperform the base-case assumptions or generate additional synergies that are not captured in the standalone DCF.

15. Sensitivity Analysis

Because valuation depends heavily on assumptions, a sensitivity analysis is necessary. The terminal multiple is particularly important because terminal value constitutes a significant portion of the estimated enterprise value.

WACC	15× terminal multiple	20× terminal multiple	25× terminal multiple
8%	-₹1,050 cr	+₹280 cr	+₹1,610 cr
9%	-₹1,170 cr	+₹110 cr	+₹1,390 cr
10%	-₹1,270 cr	-₹60 cr	+₹1,150 cr
11%	-₹1,370 cr	-₹220 cr	+₹930 cr
12%	-₹1,460 cr	-₹370 cr	+₹720 cr

Figure 6. Sensitivity of Estimated Value Creation to the Terminal EBITDA Multiple.

The sensitivity analysis demonstrates that the investment case is highly dependent on the assumptions used. At a 15× terminal multiple, the acquisition generates substantial negative value under the model. At a 25× multiple, however, the acquisition creates considerable value. This illustrates an important principle of acquisition analysis: a transaction can appear attractive under optimistic assumptions while offering limited value under more conservative assumptions.

16. Post-Acquisition Performance

The strongest way to evaluate the acquisition after the transaction is to examine the actual performance of Capital Foods. Capital Foods' revenue increased from approximately ₹705.5 crore in FY2023 to approximately ₹799 crore in FY2025.

The increase was:

$$799 - 705.5 / 705.5 * 100 = 13.2\%$$

Thus, revenue increased by approximately 13.2% over the period. This represents positive growth, although it is substantially below the 20% annual growth assumption used in the base-case DCF

model.

Figure 7. Capital Foods Revenue Before and After the Acquisition.

The result should therefore be interpreted carefully. Revenue growth supports the strategic logic of the acquisition, but the observed growth rate does not by itself demonstrate that the ₹5,100 crore acquisition price has generated excess economic returns.

17. Evidence of Synergies

The acquisition can create value through synergies even if Capital Foods' standalone performance is not extraordinary.

17.1 Distribution Synergy

TCPL's existing distribution network can potentially increase Capital Foods' reach without requiring Capital Foods to independently build a comparable network. This can improve both sales growth and capital efficiency.

17.2 Procurement Synergy

Combining procurement requirements can improve negotiating power and lower input costs.

17.3 Manufacturing and Logistics

TCPL can potentially integrate manufacturing and logistics capabilities across its broader food portfolio.

17.4 Cross-Selling

Capital Foods' products can be introduced to consumers already purchasing TCPL products, while TCPL can use Capital Foods' channels to expand its own portfolio.

17.5 International Expansion

TCPL's international presence provides another potential source of incremental revenue. These synergies are difficult to quantify from publicly available financial statements. However, they are central to determining whether the acquisition creates value beyond the standalone value of Capital Foods.

18. FY2026 Developments

Subsequent TCPL reporting indicates that the company continued to focus on expanding its foods portfolio and integrating its acquired businesses. However, comparisons between Capital Foods' standalone historical figures and later TCPL reporting require caution because the acquired business may be incorporated into broader reporting categories. This creates an important methodological limitation. The acquisition cannot be evaluated solely by comparing one line item in TCPL's consolidated financial statements before and after the transaction. A proper assessment requires separating:

1. organic growth,
2. acquired growth,
3. price increases,
4. volume growth,
5. margin expansion, and
6. cost synergies.

19. Forecast Versus Actual Performance

The DCF model assumed 20% annual revenue growth. The actual increase from FY2023 revenue of approximately ₹705.5 crore to FY2025 revenue of

approximately ₹799 crore represents approximately 13.2% cumulative growth.

The implied two-year compound annual growth rate is approximately:

$$\text{CAGR} = (799/705.5)^{1/2} - 1$$

$$= 6.4\%$$

This is materially below the 20% annual growth assumption.

This comparison suggests that the base-case DCF was relatively optimistic from a revenue-growth perspective. However, revenue growth alone does not determine acquisition value. If TCPL achieves greater margins, cost savings or distribution efficiencies than assumed, lower revenue growth could still be compatible with attractive shareholder returns.

20. Market Reaction Versus Fundamental Value

The event study and DCF valuation provide different perspectives. The event study suggests that investors initially welcomed the acquisition. TCPL generated an announcement-day abnormal return of approximately 2.41%, and the wider event window produced a positive cumulative abnormal return. The DCF analysis, however, suggests that the acquisition price was approximately equal to the estimated fundamental value under the base case. These findings are not contradictory. The market reaction reflects investors' expectations regarding future benefits, while the DCF model asks whether those expected benefits are sufficient to justify the acquisition price under specific assumptions. The positive market reaction therefore indicates optimism, but it does not prove that the acquisition was underpriced.

21. Discussion

The evidence provides a nuanced answer to the research question. First, the acquisition had a strong strategic rationale. Capital Foods provided TCPL with established brands, exposure to attractive food categories, greater distribution opportunities and international growth potential. Second, the stock market reacted positively. The approximately 2.41% announcement-day abnormal return indicates that

investors viewed the transaction as favourable relative to the broader market. Third, the DCF analysis does not indicate a large valuation discount. At a ₹5,100 crore purchase price, the estimated value of approximately ₹5,040 crore produces an NPV close to zero. Fourth, subsequent revenue growth has been positive but more moderate than the 20% annual growth assumption used in the model. Taken together, these results suggest that the acquisition was strategically attractive but financially dependent on successful execution. The transaction did not appear to be an obvious bargain at the acquisition date. Rather, TCPL paid a price that required meaningful future growth and synergies. This is consistent with the broader M&A literature. Acquisitions can create value when the acquiring company is able to extract synergies that competitors or standalone ownership cannot achieve. However, if the acquisition premium captures most of the expected synergies, acquiring shareholders may receive only limited incremental value (Andrade et al., 2001).

The results also provide a useful perspective on the hubris hypothesis. There is no strong evidence from the announcement reaction that investors believed TCPL had made an obviously excessive acquisition. However, the relatively high purchase-price-to-revenue multiple means that continued execution is necessary to justify the valuation.

22. Limitations

Several limitations should be considered.

22.1 Short Event Window

The event study focuses on a relatively short period surrounding the announcement. Broader market conditions and other company-specific announcements could influence TCPL's share price.

22.2 Market Reaction Is Not Long-Term Value

A positive announcement reaction reflects expectations rather than realised shareholder returns.

22.3 DCF Assumptions

The DCF valuation is highly sensitive to assumptions about revenue growth, EBITDA margins, WACC and terminal multiples.

22.4 Limited Standalone Disclosure

After acquisition, Capital Foods is incorporated into TCPL's broader reporting structure. This makes it difficult to isolate every aspect of the acquired business's standalone financial performance.

22.5 Synergy Measurement

Some synergies, particularly distribution, procurement and cross-selling benefits, may not be separately disclosed.

22.6 Short Post-Acquisition Period

The acquisition occurred in January 2024. Long-term value creation may require several additional years to become fully observable.

23. Conclusion

This paper examined whether Tata Consumer Products' acquisition of Capital Foods created value for TCPL shareholders. The evidence suggests that the acquisition was positively received by the market but was not obviously undervalued from a fundamental valuation perspective. The event study produced an announcement-day abnormal return of approximately 2.41%, indicating that investors initially viewed the acquisition favourably. The positive cumulative abnormal return over the wider event window reinforces this conclusion. However, the DCF valuation provides a more cautious assessment. Under the base-case assumptions, Capital Foods is valued at approximately ₹5,040 crore compared with an acquisition enterprise value of ₹5,100 crore. The resulting near-zero NPV suggests that the acquisition price broadly reflected the expected economic value of the business. Post-acquisition performance provides some evidence supporting the strategic rationale. Capital Foods' revenue increased from approximately ₹705.5 crore in FY2023 to approximately ₹799 crore in FY2025. Nevertheless, this growth was below the 20% annual growth assumption used in the base-case DCF. Therefore, the acquisition should not be classified as an unequivocal value-creating transaction based solely on the evidence currently available. Instead, it represents a transaction in which shareholder value depends heavily on the realisation of strategic synergies. If TCPL can use its distribution network to accelerate Capital Foods'

growth, improve margins through procurement and operating efficiencies, expand internationally and successfully cross-sell its broader food portfolio, the acquisition could generate substantial long-term shareholder value. Conversely, if growth remains modest and the expected synergies fail to materialise, the ₹5,100 crore purchase price may ultimately prove demanding.

The central conclusion is therefore that M&A value creation is not determined simply by whether the acquired company grows after the transaction. It depends on whether the value of the acquired business and realised synergies exceeds the price paid for them. In the case of Capital Foods, the initial evidence is encouraging, but the ultimate verdict on shareholder wealth creation remains dependent on longer-term operating performance.

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Appendix A: Summary of Key Valuation Results

Measure	Result
Acquisition enterprise value	₹5,100 crore
FY2023 Capital Foods revenue	₹705.5 crore
Acquisition EV/revenue	7.23×
Announcement-day TCPL return	3.55%
Announcement-day Nifty return	1.14%
Announcement-day abnormal return	2.41%
Approx. CAR	3.38%
Base-case DCF value	~₹5,040 crore
Acquisition price	₹5,100 crore
Approx. base-case NPV	~₹60 crore
FY2025 Capital Foods revenue	₹799 crore
FY2023–FY2025 cumulative revenue growth	13.2%
FY2023–FY2025 revenue CAGR	~6.4%

Appendix B: Core DCF Formulae

$$FCF = EBITDA(1 - T) - Capex - \Delta NWC$$

$$TV = \text{Terminal EBITDA} \times \text{Terminal Multiple}$$

$$\text{Enterprise Value} = \sum [FCF_t / (1 + WACC)^t] + \text{Terminal Value} / (1 + WACC)^n$$

NPV = Estimated Enterprise Value - Purchase Price