



IPO Report

31 Oct. 2025

Rating

Business
Financials
Valuation
Management



Ranking 1 to 5, denoting lowest to highest



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



Orkla India Limited

IPO: Orkla India Limited

Sector: FMCG

Expected Listing Returns: Upto 15% to 20%

Stock Info	
Issue Size	Rs.1,667.54 cr
Lot Size	20
Face Value (per sh.)	Rs.1
Min. Investment	Rs.13,900
Issue Price Band	Rs.695 - 730
Listing At	NSE,BSE
QIB	50%
HNI	15%
Retail	35%
Sales Type	Offer for sale
OFS	Rs.1,667.54 cr
Issue Type	Bookbuilding IPO
BRLM	ICICI Securities Limited, Citigroup Global Markets, J.P. Morgan India, Kotak Mahindra Capital Company Limited
Registrar	KFin Technologies Limited

IPO Timeline	
Opening Date	Wed, 29 October, 2025
Closing Date	Fri, 31 October, 2025
Allotment	Mon, 03 November, 2025
Initiation of Refund	Tue, 04 November, 2025
Credit of shares	Tue, 04 November, 2025
Listing Date	Thu, 06 November, 2025

Shareholding Pattern (Promoters)	
Orkla Asia Pacific Pte. Ltd.	90.0%
Navas Meeran	5.0%
Feroz Meeran	5.0%
Total	100.0%

Objective of Issue

Since the offer comprises a complete offer for sale, the company will not receive any proceeds. The net proceeds, after deduction of offer-related expenses and applicable taxes, will be received by the selling shareholders.

Orkla India is a leading multi-category Indian food manufacturer with a legacy spanning several decades and a diversified product portfolio covering every meal occasion — from breakfast and lunch to dinner, snacks, beverages, and desserts. Its flagship brands, MTR and Eastern, are built on authentic South Indian culinary traditions, offering products that balance heritage with convenience. The company operates across two key categories:

Spices: Including blended variants such as Sambar Masala, Rasam Masala, Chicken Masala, and Meat Masala; and pure spices such as Chilli, Turmeric, Coriander, and Cumin.

Convenience Foods: Covering ready-to-cook and ready-to-eat mixes like Gulab Jamun mix, Rava Idli mix, 3-Minute Poha, Dosa mix, and Vermicelli.

As of June 30, 2025, the company offered around 400 SKUs and sold an average of 2.3 million units per day, reflecting strong brand reach and consumer penetration across categories.

Key Highlights:

- **Strong Heritage and Promoter Lineage:** Orkla India Limited, formerly MTR Foods, carries a century-old legacy of authentic Indian cuisine. The brand "MTR" traces its roots to 1924, known for pioneering traditional South Indian ready mixes and foods. The company is part of Norway's Orkla ASA, a leading European branded consumer goods group, which brings global best practices in manufacturing, governance, and innovation. Through its subsidiaries, Orkla ASA holds over 90% of the company's pre-IPO equity, providing strong financial backing and strategic support.
- **Diversified Product Portfolio with 400+ SKUs:** Orkla India offers over 400 SKUs across two major segments — Spices (pure & blended) and Convenience Foods (ready-to-cook and ready-to-eat). Its spices range from pure turmeric, chili, and coriander to complex regional blends like Sambar Masala and Chicken Masala. The convenience foods portfolio includes instant mixes (Idli, Dosa, Upma), sweets (Gulab Jamun, Payasam), and vermicelli-based products. This product diversity ensures resilience against demand fluctuations and enables cross-selling across categories.
- **Robust Financial Performance and Margin Expansion:** Orkla India has shown consistent growth in revenue and profitability. In FY2025, revenue stood at ₹24,552 million, up from ₹23,880 million in FY2024, while PAT increased 13% YoY to ₹2,557 million. Volume growth was 3.5% in FY2025 and 8.5% in Q1 FY2026. The company reported strong operating efficiency, with EBITDA margin around 14–15% and PAT margin above 10%. Return on Capital Employed (ROCE) improved from 20.7% to 32.7%, highlighting efficient capital utilization and improved profitability.

	Revenue from op. FY25 (Rs cr)	Rev. growth (FY22-25) CAGR %	EBITDA margin (%)	EBITDA CAGR (%)	ROCE (%)	FY25 PE (x)
Orkla India	2,395	9.2	16.6	18.6	32.7	39.0
Tata Consumer Products	17,618	12.3	13.5	13.0	24.6	90.1

Source: RHP

Valuation & Investment Recommendation

At the upper price band of ₹730, Orkla India appears moderately valued relative to established FMCG peers. Backed by a strong brand portfolio, operational efficiency, and steady financials, the company offers a balanced growth stability profile.

As the issue is a 100% offer for sale, it should be viewed as a long-term brand play rather than a capital-raising event. Given its strong brand equity and favorable sector dynamics, investors with a 3–5 year horizon may consider **subscribing** to participate in India's expanding packaged food market.

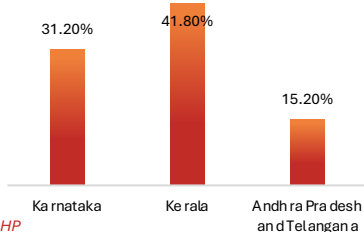
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From Kitchens of the South to Global Shelves — Orkla India's Next Growth Chapter

Strengths

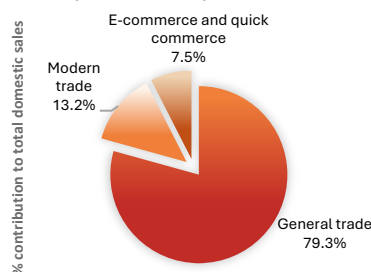
Dominant positions in South India (e.g. Karnataka and Kerala spices market leaders), backed by strong heritage brands (MTR, Eastern) with high local consumer loyalty.

Orkla India is the market leader in South India's packaged spice segment commanding a 31.2% share in Karnataka and 41.8% in Kerala, including leadership in both blended and pure spices. It also ranks #2 in Andhra Pradesh and Telangana with a 15.2% share. The company's brands are consumed in over 9 out of 10 households in its core markets, reflecting deep penetration and consumer trust. Its authentic flavor positioning and localized marketing drive this regional dominance.

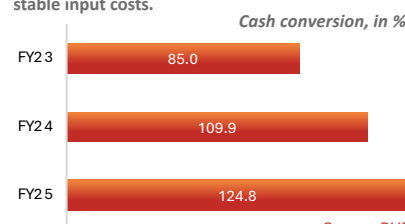


Source: RHP

The company maintains one of the most comprehensive distribution networks in the Indian food industry, with 834 distributors, 1,888 sub-distributors, and presence across 28 states and 6 union territories. It has partnerships with 42 modern trade chains and 6 e-commerce/quick-commerce platforms.



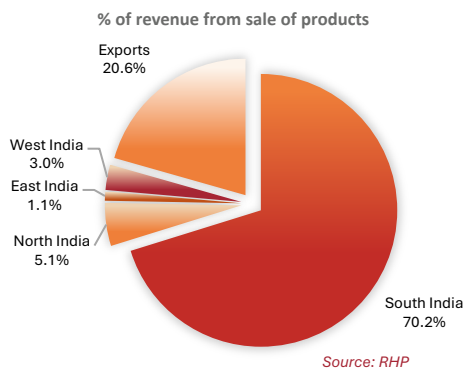
The company has robust operational efficiency. Centralized procurement, ingredient sourcing, and process automation have improved quality control and reduced wastage, enabling Orkla India to maintain stable margins despite raw material price fluctuations. Cash conversion improved sharply from 85% in FY23 to 124.8% in FY25 signalling tighter working capital discipline and stable input costs.



Source: RHP

Weaknesses

Sales are heavily skewed to South India (core markets); presence outside this region is limited. Geographic and category concentration could pose risk if market dynamics shift.



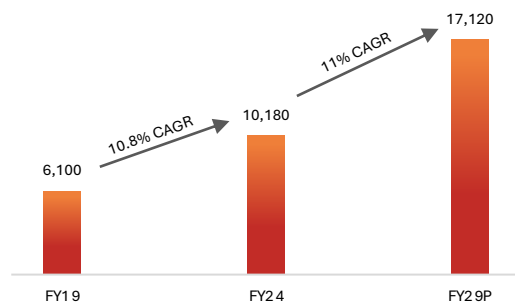
Source: RHP

The company relies on Orkla group for technical, marketing and other support, which may pose integration/governance challenges.

Apart from brand appeal, many products (spices, mixes) compete on price. Limited high-growth segments (e.g. frozen foods, dairy, premium packaged foods) in its portfolio.

Opportunities

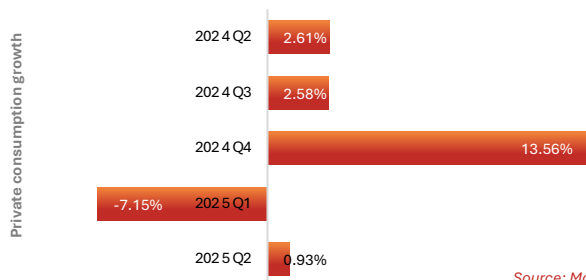
India's packaged food market, valued at ₹10,180 billion in FY2024, is projected to grow at a 10.8% CAGR (FY2019–FY2024). Rising urbanization, dual-income households, and demand for convenience foods are driving this trend. Orkla India, with its heritage brands, trusted quality, and innovation pipeline, is strategically placed to capture growth in both spices and ready-to-cook segments. The company's strong regional brand loyalty provides a foundation to expand pan-India and in international diaspora markets.



Source: RHP

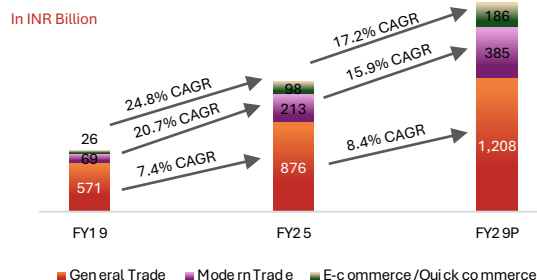
Threats

The company's performance is closely linked to consumer spending trends and overall economic conditions. Periods of weak private consumption or food inflation can reduce disposable incomes, prompting consumers to shift towards essentials or lower-cost alternatives, thereby impacting sales volumes and revenues. Prolonged economic slowdown or low consumer confidence may further pressure margins through higher promotional spending and pricing competition. Additionally, inflation in essential food items such as grains and pulses can indirectly dampen spice consumption, as reduced use of core ingredients limits demand for flavor enhancers.



Source: Moody's Analytics, RHP

India's retail market is expected to reach USD 1.6 trillion by FY2029, growing at a 10.1% CAGR. Modern trade is projected to expand at 15.9% CAGR to USD 385 billion, increasing its share from 19.6% to 24.5%. E-commerce and quick-commerce channels are set to grow even faster at 17.2% CAGR, accounting for 12.0% of total retail. This rapid shift toward organized and digital formats is driving higher penetration of convenience-led and branded consumption products across categories.



Source: RHP

Disclaimer

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