GRM Overseas (21st September 2026)

Company Overview

- GRM Overseas Ltd, tracing its origins to 1974 and headquartered in Delhi, is one of India's largest basmati rice processors and a scaling packaged-foods FMCG player. It runs three milling plants and nine sortex units with annual capacity of 440,800 MT and sells into more than 55 countries.
- The business has two engines. International (FY26 revenue Rs 854 crore) is roughly 95% private label for chains such as Walmart, Tesco, ASDA and Carrefour. India (FY26 revenue Rs 740 crore) is entirely own-brand under 10X, spanning rice, atta, edible oil, besan and ready-to-cook, with a 44% stake in Rage Coffee.

Sector Outlook

- India's packaged foods market is projected to grow from Rs 10.2 trillion in 2024 to Rs 17.3 trillion by 2029, an 11.1% CAGR. Packaged staples, GRM's core addressable pool, compound at 10.5% to Rs 6.2 trillion, with flour and spices the fastest-growing sub-segments at 15-17%.
- On the export side, Indian basmati shipments have compounded at 11% over FY21-FY26 to Rs 50,137 crore. GRM ranks among the top five rice exporters globally and is a leading supplier into the MENA region.

Company Outlook

- FY26 was a step-change year. Total income rose 31.4% to Rs 1,806 crore and PAT grew 24.2% to Rs 76 crore, though EBITDA margin compressed 70 bps to 7.0% as growth was led by lower-margin export volumes. Q1 FY27 sustained the momentum, with revenue up 30.5% YoY to Rs 427 crore and margin recovering to 8.4%.
- The India business has compounded at a 66% CAGR over FY21-FY26, from Rs 58 crore to Rs 740 crore, and now contributes 46% of revenue against 8% five years ago. This mix shift is the central driver of our earnings model, and it is already delivered rather than merely promised.
- Management targets Rs 3,500 crore of FY28 revenue, split Rs 2,000 crore India and Rs 1,500 crore international. We model a more conservative Rs 2,850 crore, a 26% CAGR over FY26-FY28E and about a fifth below guidance.

GRM Overseas

25% **Target Return**	₹102 **Target Price**
12 months **Duration**	₹81 **Current price**

BUY

Financial Summary (Rs crore)

Y/E March	FY26	FY27E	FY28E
Revenue	1,796	2,320	2,850
EBITDA	127	174	234
EBITDA (%)	7.0	7.5	8.2
PAT	76	105	144
EPS (Rs)	3.7	5.1	7.0
P/E (x)	23.2	16.7	12.2
RoE (%)	12.6	16.1	18.5

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- The investment case rests on mix, not on price. India's own-brand 10X business earns structurally better realisations than private-label exports, and is guided to move from 46% of revenue in FY26 to 57% by FY28. Atta, edible oil and the Rage Coffee stake are the accretive layers on top of rice.
- We therefore underwrite an incremental EBITDA margin of about 10% on the revenue GRM adds over FY26-FY28E, against a 7.0% blended base. That drags reported margin up to 7.5% in FY27E and 8.2% in FY28E, still short of the 8.0-8.4% GRM delivered in FY23 and Q1 FY27, so the case does not assume unprecedented profitability.
- On these assumptions EBITDA rises from Rs 127 crore in FY26 to Rs 174 crore in FY27E and Rs 234 crore in FY28E. After higher depreciation and working-capital-driven interest, PAT reaches Rs 105 crore and Rs 144 crore, giving EPS of Rs 5.1 and Rs 7.0 on 20.7 crore shares, a 38% PAT CAGR.
- Funding is already in place. Rs 136.5 crore was raised through preferential warrants, debt-to-equity has fallen from 1.5x in FY23 to 0.6x in FY26, and Acuite rates the company A (Stable). FY26 ROCE was 20.2% and ROE 12.6%.

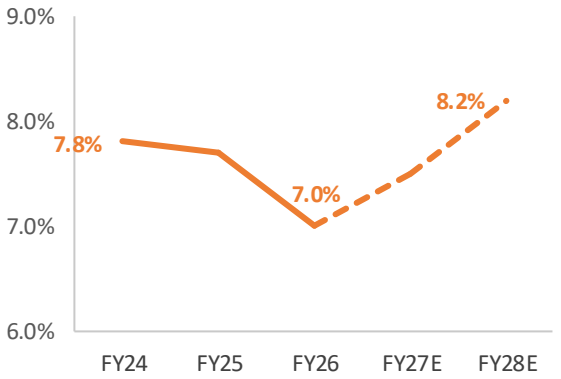
Rating

- We initiate on GRM Overseas with a BUY and a target price of Rs 102, set at 14.5x FY28E EPS of Rs 7.0. That is a deliberate discount to the 32x the stock trades at on trailing earnings and to listed packaged-foods peers, reflecting the commodity-linked export base and the fact that half of revenue is private label. It implies 25% upside over a 12-month horizon.

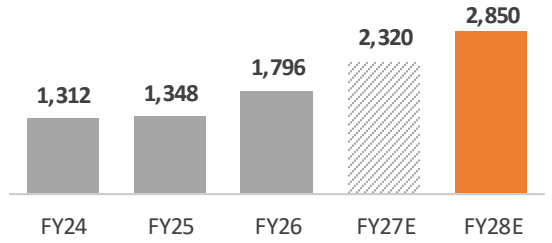
Key Risks

- Paddy price inflation, rupee volatility and basmati export policy can compress margins quickly, as the 70 bps FY26 contraction showed. In private label GRM has limited pricing power, so input cost pass-through is slow.

EBITDA margin (%)



Revenue (Rs crore)



Source: Company filings, Angel One Research

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