

Titan Company

BSE SENSEX 75,201 S&P CNX 23,618

CMP: INR4,102 TP: INR5,150 (+26%) Buy



Stock Info

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	3641.8 / 37.7
52-Week Range (INR)	4605 / 3301
1, 6, 12 Rel. Per (%)	-6/14/19
12M Avg Val (INR M)	3964
Free float (%)	47.1

Financials Snapshot (INR b)

Y/E Dec	2026	2027E	2028E
Sales	875.8	994.7	1,146.2
Sales Gr. (%)	44.9	13.6	15.2
EBITDA	83.6	99.9	120.1
Margins (%)	9.5	10.0	10.5
Adj. PAT	51.5	63.2	77.3
Adj. EPS (INR)	57.9	71.1	86.8
EPS Gr. (%)	36.9	22.8	22.2
BV/Sh.(INR)	176.4	226.2	287.0

Ratios

RoE (%)	37.7	35.3	33.8
RoCE (%)	15.4	16.1	18.3
Payout (%)	19.3	30.0	30.0

Valuations

P/E (x)	70.8	57.6	47.2
P/BV (x)	23.2	18.1	14.3
EV/EBITDA (x)	44.3	36.7	30.6
Div. Yield (%)	0.3	0.5	0.6

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	52.9	52.9	52.9
DII	15.0	15.0	12.2
FII	15.7	15.6	17.9
Others	16.3	16.5	17.0

FII Includes depository receipts

Regulatory headwinds vs. Gold price cycle vs. Titan

- Titan has been an outlier in FY26 among the most category leaders in terms of both earnings performance and stock performance ([link](#)). However, there are several challenges for Titan related to (1) the recent customs duty hike on gold from 6% to 15%, (2) any potential regulatory intervention, and (3) Titan's performance in no gold inflation. In this note, we share our analysis on each challenge. To understand the challenges, we have analyzed previous phases of flat gold prices and Titan's performance.
- Moreover, in this note, we compare Titan with other category leaders like HUL, Asian Paints, UNSP, PAGE and Jubilant FoodWorks to highlight the performance difference among leaders and the TAM opportunity. Titan is the market leader in jewelry with 8% share, while the organized jewelry market still makes up <40%. This gives us confidence in Titan's growth longevity. Other category leaders have high market share in highly penetrated categories and they already enjoy a major share in the organized market. Titan is still disrupting regional players and new competition, while other market leaders are struggling with new competition, thereby focusing on retaining their share. It gives Titan long-term growth visibility in the jewelry segment beyond gold cycles.
- We reduce our EPS estimates by 2% for FY27 and 1% for FY28 due to increase in custom duty. However, we believe Titan can manage the ongoing situation well by keep finding new gold sourcing avenues (temple jewellery, exchange, etc), superior balance sheet can help in regulator tightening. With better long term growth prospects, historically stock performance post one-year of regulatory announcement has mostly been positive (outperforming to NIFTY-50 as well). We reiterate our BUY rating on the stock with a TP of INR5,150 at 60x Mar'28E EPS.

Regulatory headwinds vs. Titan

The Government of India has increased customs duty on gold and silver imports to 15% from 6% (and platinum to 15.4% from 6.4%) to reduce pressure on forex reserves amid ongoing West Asia tensions. The current duty hike is aimed at controlling gold imports and reducing the pressure on CAD and currency depreciation. Gold accounts for ~9% of India's total imports (~USD72.4bn in FY26).

Given gold inflation is 40-50%, another 9-10% additional increase will possibly hurt the demand in the short term. Inventory gains will be observed across companies, even for companies that hedge gold, as hedging does not cover customs duty hikes. We have seen inventory losses in FY25 after custom duty reductions.

Gold price cycle vs. Titan

During 2017-2018, when gold prices were largely flat, Titan delivered 25% revenue CAGR in FY17-FY19 and >35% EBIT CAGR. Similarly, gold prices were flat during 2021-2022, and Titan clocked 35% revenue CAGR and 60% EBIT CAGR during FY21-23. In the flat gold price scenario, consumers regain the momentum to purchase high-carat products, along with positive buying trends across income segments.

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FY25 and FY26 have seen sharp gold inflation (2x jump), which impacted Titan's FY25 EBIT performance but it managed well in FY26. Customer footfall has been subdued, and Titan saw flat buyer growth in 1HFY26 ([link](#)), although it improved in 2HFY26 after the company's exchange offer initiative. The current gold price gives 35% gold inflation YoY for 9MFY27, which gives enough time for consumers and Titan to adjust to the new price level. Titan can drive buyer growth and sales of high-carat products in such a stable price environment as seen in the past.

Structural growth tailwind; formalization driving opportunity

- India's jewellery market continues to offer a strong structural growth opportunity, led by ongoing formalization. Since only ~40% of the market is served by organized players, there is significant headroom for branded players to gain share.
- With ~8% market share, Titan is well positioned to benefit from this shift and is targeting 10-11% share by FY27E. Organized players consistently outpaced the broader industry (20% CAGR vs. 8% over FY19-25).
- While industry-wide buyer growth has remained muted, Titan's exchange programs (TEP+GEP; ~50% of the mix) have supported new customer onboarding. Titan has also enhanced customer value by removing the traditional deduction on low-carat gold (<22k), now offering 0% loss on gold up to 9k. While gold exchange schemes exert minor pressure at the transaction level, they can enhance lifetime value through repeat purchases, referrals, and trust-building, resulting in strong ROI and share gains.

Multi-format provides more headroom for store and customer expansion

- Titan has over the years expanded into multiple jewelry formats, ranging from lightweight jewelry (CaratLane) to Tanishq, Mia (daily wear mid to premium format) and Zoya (super-premium format). Besides, its entry into LGDs (BeYon) gives store expansion headroom for capturing new-age customers.
- The organized jewellery market has expanded to over 2,700 stores, with Titan accounting for ~43% share (1,194 India jewelry stores by FY26, Exhibit 10).
- Multi-format presence drives new customer acquisition and helps Titan become a relevant player in any change in consumer trends. CaratLane and LGDs can give such opportunities in the future.

EBIT growth a key metric; hedging gives comfort in gold price volatility

- Titan registered 12% EBIT growth in jewelry in FY25 as margins were down by ~100bp. Gold inflation, weak mix and competitive pressure impacted operating margin. In FY26, standalone EBIT margin (ex-bullion) contracted by ~60bp to 10.8%, though EBIT growth grew by 24%.
- We model standalone jewelry (ex-bullion) EBIT growth of 22%/18% in FY27/FY28. The company follows a 100% gold hedging strategy, among the highest in the industry, which protects it from volatility in gold prices. In contrast, many peers, especially unorganized players (~60% of the market), either do not hedge or only partially hedge, leaving them exposed to margin pressure during periods of gold price correction.
- While the surge in gold prices over the past year has led to inventory gains for several players, Titan still maintained a margin advantage over domestic peers. Titan benefits from a higher share of value-added and designed products,

supported by a large portfolio of 14,000+ designs. This enables better pricing power and higher realizations, supporting its margin profile despite competitive intensity.

Inspiring progress for CaratLane

- Titan's acquisition of Caratlane in 2016 marked its entry into the online jewelry segment. Caratlane is delivering robust performance, with revenue rising from INR4.2b in FY19 to INR47b in FY26 (40% CAGR). The business has transitioned from losses to profitability, achieving breakeven in FY21. EBIT margins have now reached double digits (~10% in FY26), reflecting operating leverage and a stable contribution to Titan's profitability.
- Caratlane has scaled up its store network from 55 in FY19 to 370 in FY26, significantly improving its reach and brand visibility. The company plans to expand to 425 stores across 200+ towns by FY27 and expand its customer base to ~3m from ~1.5m in FY24.
- Caratlane is well positioned to benefit from premiumization in lightweight jewelry (18k/14k), particularly among younger consumers.

Damas acquisition expands international footprint

- Titan is strengthening its GCC presence with a focus on catering not only to the Indian diaspora but also to the Arab population. Titan has acquired a 67% stake in Damas Jewelry (excluding the luxury brand Graff) in Jul'25.
- Damas, headquartered in Dubai, operates 146 stores across GCC markets and has strong brand equity among Arab consumers, with a premium positioning and higher studded jewellery mix compared to Tanishq.
- The company plans to adopt a dual-brand strategy in the GCC, with Tanishq catering to the South Asian diaspora and Damas targeting local Arab consumers.
- The transaction is funded through a mix of debt, internal accruals, and cash reserves, with a significant portion of borrowings at 6% interest. The acquisition is expected to be EPS-dilutive in CY26 and neutral in CY27, it is projected to turn EPS-accretive from CY28 onward.

Valuation and view

- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. Its brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category.
- The Jewelry store count reached 1,349 as of Mar'26, and the expansion story remains intact. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We reduce our EPS estimates by 2% for FY27 and 1% for FY28 due to increase in custom duty. However, we believe Titan can manage the ongoing situation well by keep finding new gold sourcing avenues (temple jewellery, exchange, etc), superior balance sheet can help in regulator tightening. With better long term growth prospects, historically stock performance post one-year of regulatory announcement has mostly been positive (outperforming to NIFTY-50 as well). **We model sales, EBITDA and APAT CAGR of 14%/20%/22% over FY26-28E and reiterate BUY rating on the stock with a TP of INR5,150 at 60x Mar'28E EPS.**

Exhibit 1: Titan performance over the years

Consolidated Segmental	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales (INR b)										
Jewelry	163.9	173.2	193.2	255.2	359.1	455.2	539.7	796.6	903.2	1040.9
Watches & Wearables	24.5	26.2	15.9	23.2	33.1	39.3	46.0	52.7	60.6	69.7
Eyewear	5.1	5.4	3.8	5.2	6.9	7.3	8.0	9.2	10.4	11.7
Others	6.2	7.2	5.5	6.8	9.7	14.4	15.8	22.9	26.4	30.1
Total	199.6	212.0	218.3	290.3	408.8	516.2	609.4	881.4	1000.5	1152.4
Sales Growth (YOY)										
Jewelry	23.6	5.7	11.6	32.1	40.7	26.8	18.5	47.6	13.4	15.2
Watches & Wearables	14.8	7.1	-39.5	46.0	42.9	18.7	17.0	14.5	15.0	15.0
Eyewear	22.6	6.9	-31.1	37.9	33.3	5.4	10.3	14.4	13.0	13.0
Others	39.3	17.0	-23.9	23.4	43.5	48.1	9.7	45.4	15.0	14.0
Sales mix (%)										
Jewelry	82%	82%	89%	88%	88%	88%	89%	90%	90%	90%
Watches & Wearables	12%	12%	7%	8%	8%	8%	8%	6%	6%	6%
Eyewear	3%	3%	2%	2%	2%	1%	1%	1%	1%	1%
Others	3%	3%	3%	2%	2%	3%	3%	3%	3%	3%
EBIT (INR b)										
Jewelry	19.1	20.5	17.0	30.8	43.9	48.1	54.4	72.1	86.2	104.3
Watches & Wearables	2.7	3.2	-1.3	1.2	4.1	3.9	5.5	8.2	9.4	10.8
Eyewear	0.0	-0.1	0.2	0.6	1.0	0.8	0.8	0.8	0.9	1.2
Others	-1.6	-0.8	-0.6	-0.6	-1.5	-0.4	-0.5	-0.3	-0.3	-0.4
EBIT Growth (YOY)										
Jewelry	30.4	7.5	-17.1	81.3	42.2	9.7	13.1	32.5	19.5	21.1
Watches & Wearables	27.9	18.5	-141.8	-190.2	242.9	-3.7	39.4	50.4	13.9	15.0
Eyewear	-199.2	502.1	-260.5	158.7	64.7	-18.4	0.0	-3.8	21.0	25.6
Others	79.1	-48.0	-26.9	-4.8	147.5	-70.5	9.3	-40.4	15.0	14.0
EBIT Margin (%)										
Jewelry	11.6	11.8	8.8	12.1	12.2	10.6	10.1	9.0	9.5	10.0
Watches & Wearables	10.9	12.1	-8.3	5.1	12.3	10.0	11.9	15.6	15.5	15.5
Eyewear	-0.5	-2.6	6.1	11.5	14.2	11.0	10.0	8.4	9.0	10.0
Others	-26.5	-11.8	-11.3	-8.7	-15.1	-3.0	-3.0	-1.2	-1.2	-1.2

Source: MOFSL, Company

Exhibit 2: Titan Jewelry performance over the years

Titan Jewelry business (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Standalone Jewelry Sales (Ex-bullion)	160.3	167.4	172.7	232.7	319.0	383.5	465.7	611.5	749.6	868.5
YoY growth (%)	0	4%	3%	35%	37%	20%	21%	31%	23%	16%
Tanishq SSSG (%)	16%	3%	-9%	41%	32%	15%	13%	27%	15%	9%
Studded mix (%)	30%	31%	27%	28%	29%	29%	27%	27%	27%	27%
Domestic Stores	340	369	397	444	534	649	745	824	932	1,041
- Tanishq	287	327	353	389	416	464	501	528	578	628
- Mia	50	38	40	50	111	177	232	282	332	382
- Zoya	3	4	4	5	7	8	12	13	17	21
- beYon	-	-	-	-	-	-	-	1	5	10
Standalone bullion Sales	-	-	13.6	10.3	22.1	39.4	26.6	99.6	35.0	35.0
YoY growth (%)	0	0	0%	-24%	114%	78%	-33%	275%	-65%	0%
Caratlane Sales	4.2	6.4	7.2	12.6	21.9	29.3	35.6	47.0	57.8	69.2
-YoY growth (%)	0	51%	14%	75%	73%	34%	21%	32%	23%	20%
Caratlane SSSG (%)	0%	9%	-15%	66%	61%	6%	16%	19%	14%	12%
Domestic Caratlane Store	55	92	117	138	222	272	322	370	422	474
International Sales	-	-	-	-	-	9.3	15.9	32.5	61.7	69.1
YoY growth (%)	-	-	-	-	-	0	71%	104%	90%	12%
International stores					7	16	24	155	170	183
- Damas					-	-	-	123	130	135
- Tanishq, Mia and Caratlane					7	16	24	32	40	48
Others Sales	(0.6)	(0.5)	(0.4)	(0.4)	(3.8)	(6.3)	(4.1)	6.0	(0.8)	(0.8)
Total Sales	163.9	173.2	193.2	255.2	359.1	455.2	539.7	796.6	903.2	1,040.9
Total stores	395	461	514	582	763	937	1,091	1,349	1,524	1,698
Jewelry EBIT										
Standalone Jewelry EBIT (Ex-bullion)	19.5	20.6	16.9	30.3	43.6	47.3	53.1	66.0	79.5	94.7
YoY growth (%)		6%	-18%	80%	44%	8%	12%	24%	20%	19%
EBIT margin (%)	12.2%	12.3%	9.8%	13.0%	13.7%	12.3%	11.4%	10.8%	10.6%	10.9%
Caratlane EBIT	(0.2)	(0.1)	0.2	0.6	1.7	2.0	2.9	4.7	5.8	7.6
YoY growth (%)			-388%	161%	177%	17%	50%	60%	24%	32%
EBIT margin (%)	-4.3%	-1.3%	3.2%	4.7%	7.6%	6.7%	8.2%	9.9%	10.0%	11.0%
International	-	(0.0)	(0.1)	(0.0)	(1.4)	(1.1)	(1.6)	1.4	0.9	2.1
YoY growth (%)								0%	-35%	124%
EBIT margin (%)								4.4%	1.5%	3.0%
Total EBIT	19.3	20.5	17.0	30.8	43.9	48.1	54.4	72.1	86.2	104.3
YoY growth (%)	0	6%	-17%	81%	42%	10%	13%	32%	20%	21%
EBIT margin (%)	11.6%	11.8%	8.8%	12.1%	12.2%	10.6%	10.1%	9.0%	9.5%	10.0%

Source: MOFSL, Company

Jewelry segment

Titan has been an outlier in FY26 among the most category leaders in terms of both earnings performance and stock performance ([link](#)). However, there are several challenges for Titan related to (1) the recent customs duty hike on gold from 6% to 15%, (2) any potential regulatory intervention, and (3) Titan's performance in no gold inflation. In this note, we share our analysis on each challenge.

We believe Titan can manage the situation well by keep finding new gold-sourcing avenues (temple jewelry, exchange, etc.). Its superior balance sheet can help in regulation tightening. Historically, after one year of customs duty hikes, Titan's stock performance has mostly been positive, even outperforming the Nifty-50.

Customs duty on gold and silver imports increased from 6% to 15%

- The Government of India has increased customs duty on gold and silver imports to 15% from 6% (and platinum to 15.4% from 6.4%) to reduce pressure on forex reserves amid ongoing West Asia tensions. The current duty hike is aimed at controlling gold imports and reducing the pressure on CAD and currency depreciation. Gold accounts for ~9% of India's total imports (~USD72.4bn in FY26).
- Given gold inflation is 40-50%, another 9-10% additional increase will possibly hurt the demand in the short term. Inventory gains will be observed across companies, even for companies that hedge gold, as hedging does not cover customs duty hikes. We have seen inventory losses in FY25 after custom duty reductions.
- With gold prices already rising sharply over the last two years, organized jewelers are increasingly focusing on old gold exchange programs to maintain affordability for consumers. Titan highlighted that contribution from old gold exchange has increased to >50% from 35% earlier.

Historical learnings

- In 2013-14, for nearly 12-18 months, the sector went into regulatory controls. In Mar'13, the finance minister had also appealed to people to limit gold buying as it was hurting CAD/currency.
- Several initiatives were implemented, such as customs duty hikes from 2% to 10%, implementation of the 80:20 rule, temporary ban on sales of gold coins/bars, and restrictions on gold-on-lease. These measures impacted jewelry demand and increased operational challenges for jewelers.
- The restriction on gold-on-lease was a major negative factor for organized jewelers as it increased working capital requirements, interest cost, and hedging expenses. Jewelers had to buy gold through full upfront payment, which increased debt levels and inventory carrying on the balance sheet.
- In 2022 (post-Covid period), the custom duty was increased from 10% to 15%. Organized jewelry companies benefited during this period.

Exhibit 3: Custom duty on gold changes and Titan performance

Date of Implementation	Customs Duty on Gold	Change	Day of announcement	Titan Stock performance before announcement		Titan Stock performance post the announcement				
				1 Week	1 Month	1 Week	1M	3M	6M	1 year
17-Jan-12	2%	Increased	0%	-2%	-12%	7%	26%	28%	21%	50%
Budget 2012-13 (Mar 2012)	4%	Increased	1%	3%	-6%	0%	2%	-5%	4%	4%
21-Jan-13	6%	Increased	1%	0%	2%	-1%	-11%	-13%	-17%	-21%
05-Jun-13	8%	Increased	-1%	6%	-2%	-24%	-18%	-18%	-19%	15%
13-Aug-13	10%	Increased	-1%	-2%	-6%	-16%	-15%	-12%	-14%	29%
17-Sep-13	15% on gold jewellery/articles	Increased	-1%	8%	7%	9%	8%	3%	20%	65%
06-Jul-19	12.5% BCD + 1% SWS = 13.5%	Increased from 10%BCD	0%	4%	-1%	-13%	-18%	-2%	-9%	-21%
01-Feb-21	7.5% BCD+ 2.5% AIDC = 10%	Reduced	6%	6%	10%	10%	2%	5%	21%	71%
01-Jul-22	12.5% BCD+ 2.5% AIDC = 15%	Increased	0%	5%	13%	10%	22%	34%	34%	57%
24-Jul-24	5% BCD+1% AIDC = 6%	Decreased	7%	-1%	4%	6%	10%	2%	5%	7%
13-May-26	10% BCD+5% AIDC = 15%	Increased	1%	-9%						

Source: MOFSL, Company

Stable gold prices – concern or opportunity?

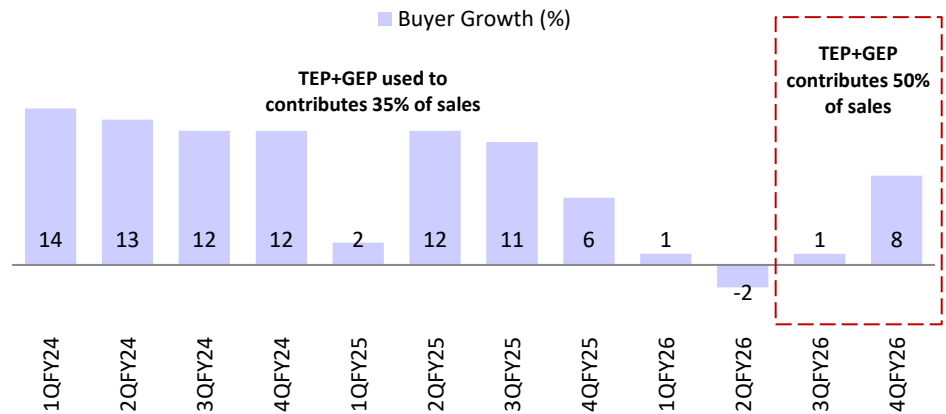
- During 2017-2018, when gold prices were largely flat, Titan delivered 25% revenue CAGR in FY17-FY19 and >35% EBIT CAGR. Similarly, gold prices were flat during 2021-2022, and Titan clocked 35% revenue CAGR and 60% EBIT CAGR during FY21-23. In the flat gold price scenario, consumers regain the momentum to purchase high-carat products, along with positive buying trends across income segments.
- FY25 and FY26 have seen sharp gold inflation (2x jump), which impacted Titan's FY25 EBIT performance but it managed well in FY26. Customer footfall has been subdued, and Titan saw flat buyer growth in 1HFY26, although it improved in 2HFY26 after company's exchange offer initiative. The current gold price gives 35% gold inflation YoY for 9MFY27, which gives enough time for consumers and Titan to adjust to the new price level. Titan can drive buyer growth and sales of high-carat products in such a stable price environment as seen in the past.

Exhibit 4: Indian Jewelry market and Titan performance

Particulars	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
USD/INR	48.0	54.5	60.5	61.2	65.5	67.1	64.5	69.9	70.9	74.2	74.5	80.4	82.8	84.6	88.3
YoY (%)	5	14	11	1	7	2	-4	8	1	5	0	8	3	2	4
CAD (USD b)	78.2	88.2	32.3	26.9	22.2	14.4	48.7	57.3	24.7	-23.9	38.8	67.1	26.1	23.1	30.0
% of GDP	2.6	4.3	4.7	1.6	1.3	1.0	0.5	1.8	2.0	0.9	-0.8	1.2	1.8	0.7	0.9
Total import (Goods + services) (USD b)	554	563	525	517	448	462	548	599	563	501	757	878	867	918	980
Gold import (USD b)	56.5	53.8	28.8	34.4	31.8	27.5	33.6	32.9	28.2	34.6	46.2	35.0	45.5	57.9	72.4
YoY (%)	44	-5	-46	20	-8	-13	22	-2	-14	23	33	-24	30	27	25
% of Total Import	10	10	5	7	7	6	6	5	5	7	6	4	5	6	7
Custom duty rate (%)	2	6	10	10	10	10	10	10	14	10	10	15	15	6	6
Gold price (INR '000'/10gm)	25.7	30.1	29.2	27.4	26.5	29.7	29.3	31.2	36.9	47.9	48.0	52.7	60.6	75.8	118.5
Gold price YoY increase (%)	34	17	-3	-6	-3	12	-1	6	18	30	0	10	15	25	56
India Jewelry demand (in tonne)	568	592	594	654	591	548	597	604	493	369	579	598	579	550	425
YoY growth (%)	-15	4	0	10	-10	-7	9	1	-18	-25	57	3	-3	-5	-23
Bar (in tonnes)	320	345	293	203	182	171	165	164	140	142	188	167	194	243	296
YoY growth (%)	-12	8	-15	-31	-10	-6	-4	-1	-14	1	33	-12	17	25	22
Titan (INR b)															
Stand. jewelry (ex-bull)	70.6	81.1	86.5	94.3	87.2	104.2	132.6	160.3	167.4	172.7	232.7	319.0	383.5	465.7	611.5
YoY increase (%)	0	15	7	9	-8	19	27	21	4	3	35	37	20	21	31
Tanishq Store	129	146	163	174	193	208	253	287	327	353	389	416	464	501	528
YoY growth (%)		13	12	7	11	8	22	13	14	8	10	7	12	8	5
SSSG (%)				9	-1	8	5	16	3	-9	41	32	15	13	27
EBIT	7.0	8.9	8.7	9.4	7.9	10.4	15.4	19.5	20.6	16.9	30.3	43.6	47.3	53.1	66.0
EBIT growth (%)		28	-2	8	-16	31	49	26	6	-18	80	44	8	12	24
EBIT margin (%)	9.9	11.0	10.1	10.0	9.1	10.0	11.6	12.2	12.3	9.8	13.0	13.7	12.3	11.4	10.8
Titan stock performance (%)	20	12	2	49	-14	36	104	21	-18	67	63	-1	51	-19	34

Source: MOFSL, Company

Exhibit 5: Titan buyer growth improved in 4QFY26

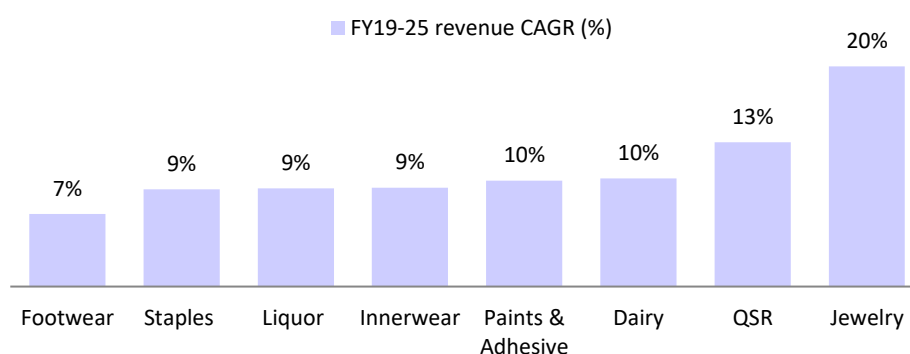


Source: MOFSL, Company

Jewelry remains outlier in consumer universe

- Consumer behavior has also evolved, with buyers now approaching purchases with a pre-defined budget rather than focusing purely on weight, which supports value growth. Further, in India, wedding and festive-related purchases are largely unavoidable, making jewelry a staple-like category within discretionary spending and ensuring steady demand.
- Jewelry segment has delivered 20% revenue CAGR (nearing double the nominal GDP growth) over FY19-25. The segment has outperformed in our coverage universe consistently.

Exhibit 6: Jewelry segment delivered 20% revenue CAGR; outperforming other segments



Source: MOFSL, Company

Structural growth tailwind; formalization driving opportunity

- The jewelry industry continues to formalize, but even today only 40% of the market is organized. Despite being the market leader, Titan holds just ~8% market share, showing significant room for long-term growth.
- Titan, with its strong nationwide presence and aspirational positioning, continues to lead the segment and is growing faster than the overall jewelry market, reinforcing its leadership advantage.

Exhibit 7: Titan outperforms industry growth; market share increased to 8%

Jewelry (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	6 Yr CAGR
Titan jewelry revenue	164	173	193	255	359	455	540	22%
YoY growth (%)	24%	6%	12%	32%	41%	27%	19%	
Total Org Market	1,014	1,041	1,097	1,417	1,939	2,293	2,817	20%
YoY growth (%)	9%	3%	5%	29%	37%	18%	23%	
Total Market	4,400	4,800	3,440	4,560	5,600	6,400	6,800	8%
YoY growth (%)	15%	9%	-28%	33%	23%	14%	6%	
Titan market share (%)	4%	4%	6%	6%	6%	7%	8%	
Org Market Mix (%)	23%	22%	32%	31%	35%	36%	41%	

Source: MOFSL, Company

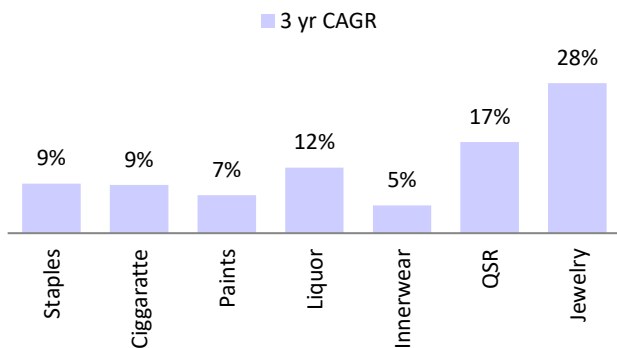
Titan is unique category leader compared to other category leaders

- We compare Titan with other category leaders like HUL, Asian Paints, UNSP, PAGE and Jubilant FoodWorks to highlight the performance difference among leaders and the TAM opportunity. Titan is the market leader in jewelry with 8% share, while the organized jewelry market still makes up <40%. This gives us confidence in Titan’s growth longevity. Other category leaders have high market share in highly penetrated categories and they already enjoy a major share in

the organized market. Titan is still disrupting regional players and new competition, while other market leaders are struggling with new competition, thereby focusing on retaining their share. It gives Titan long-term growth visibility in the jewelry segment beyond gold cycles.

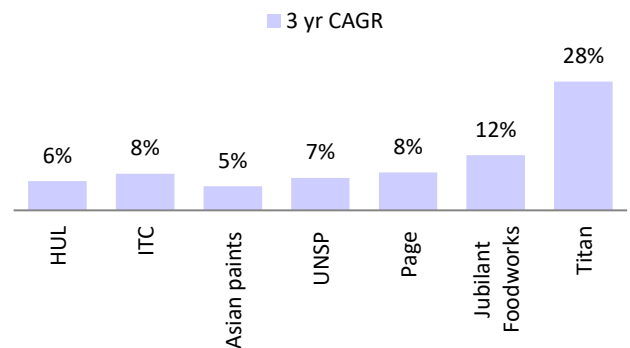
- Jewelry is a low-frequency, high-ticket category, where growth is driven not just by store expansion but also by rising incomes, premiumization, and increasing preference for branded products. Incremental demand is further supported by new consumer cohorts (younger buyers, working women, studded jewellery demand, and LGD adoption), enabling stable user addition over the medium term. Titan plans to reach 6m buyers by FY27 (3.8m in FY24), with 13% CAGR in buyer addition during FY19-24.
- During FY22-25 (FY26 was largely driven by gold price), the jewelry sector outperformed most discretionary categories. Titan delivered growth broadly in line with the industry (~28%). The other jewellery players reported higher growth, primarily supported by a lower base and significant fund raising, which enabled aggressive store network expansion.
- Titan has continued to add stores, but its flagship brand Tanishq (>85% of jewellery revenue) has expanded at a moderate pace of 10% CAGR. At the same time, Titan has grown faster through its new brands like Mia and CaratLane, helping it increase its overall presence and reach more customers across segments.

Exhibit 8: Category 3-year revenue CAGR (FY22-25)



Source: MOFSL, Company

Exhibit 9: Category leader 3-year revenue CAGR (FY22-25)



Source: MOFSL, Company

Exhibit 10: Store expansion driving growth across Jewelry players

Stores	FY22	FY23	FY24	FY25	FY26	3 yr CAGR (FY22-25)	4 yr CAGR (FY22-26)
Titan (Domestic Jewelry)	582	756	921	1067	1194	22%	20%
- Tanishq	389	416	464	501	528	9%	8%
- Caratlane	138	222	272	322	370	33%	28%
- Mia	50	111	177	232	282	67%	54%
- Zoya	5	7	8	12	13	34%	27%
- Beyon					1		
Kalyan (India)	124	149	217	351	466	41%	39%
- My Kalyan	124	147	204	278	342	31%	29%
- Candere	0	2	13	73	124		
PN Gadgil	32	34	36	53	77	18%	25%
Thangamyil	52	53	57	60	66	5%	6%

Source: MOFSL, Company

Broad portfolio across price points; catering to diverse consumer needs

- Titan follows a multi-brand strategy, with offerings ranging from entry-level to luxury segments, enabling it to cater to a wide consumer base. This diversified approach helps to capture premiumization trends across income segments without dependence on any single price band.
- With rising gold prices, consumer preferences are shifting toward lightweight daily-wear jewellery (14k/18k), especially among younger buyers. Through brands like Tanishq, Mia, and Zoya, Titan has built a well-segmented sub-brand portfolio across price points and use cases.
 - **Tanishq:** It targets affluent consumers with a strong offering across daily wear and wedding jewellery, including 30% studded mix. The brand continues to expand its footprint with ~40 store additions annually in India and increasing global presence.
 - **Mia:** Mia focuses on Gen Z/Y consumers with lightweight, daily-wear jewellery, with 80%+ studded designs. The brand aims to double its revenue by FY27 from the FY24 level through aggressive network expansion (~750 POS across 150 towns) and targeting ~1m customers.
 - **Zoya:** The brand strengthens the premium portfolio with high-end diamond and precious stone jewellery. It plans to scale up to ~20 boutiques by FY27 and targets ~2.5x revenue growth from the FY24 level, driven by expansion and customer base addition.

Exhibit 11: Titan brands segmentation

Segments	Jewelry	Watches	EyeCare	Indian Dress Wear	Fragrances	Fashion acc.
Luxury	Zoya	Nebula				
Premium	Tanishq	Edge, xylys, RAGA				IRTH
Mid-market	Mia, Caratlane	Titan, Titan Smart, fastrack, Titan clocks, Vyb	Titan Eye+	Taneria	SKINN fastrack	fastrack
Mass market		Sonata, POZE, Zoop				

Source: MOFSL, Company

Exhibit 12: Titan brands business size across segments

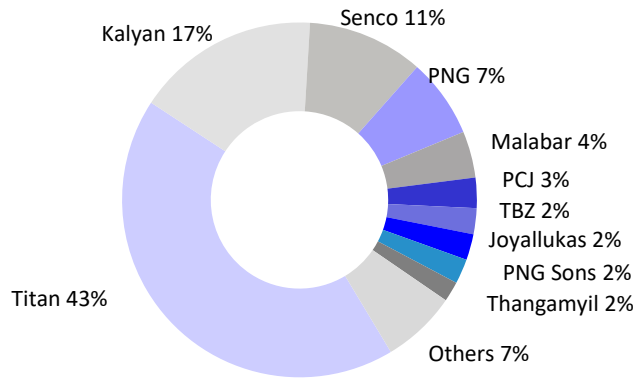
INR (b)	Jewelry	Watches	EyeCare	Indian Dress Wear	Fragrances	Fashion acc.
500 - 50	Tanishq					
50 - 10	Caratlane	Titan	TITAN EYE+			
10 - 5	Mia	fastrack, fastrack smart, Sonata, RAGA				
5 - 1	Zoya	Edge, Nebula, Titan Smart		Taneira	SKINN	
<1		Titan Clocks, xylys, Zoop			fastrack	IRTH, fastrack

Source: MOFSL, Company

Titan's stronghold in organized retail; holds over 40% store network

- Indian organized jewellery players have expanded their footprint to over 2,700 stores, reflecting rapid network scale-up. Titan holds the lion's share in the organized retail sector with ~43% share in a network of 1,194 stores spanning Tanishq, Caratlane, Mia, Zoya and BeYon. Other major retail players include Kalyan, PN Gadgil, Malabar, Kalyan, Senco, et al. Several players, after experiencing success in their own region, have gradually become pan-India players. The jewelry players, with additional funding, are expanding the network beyond their core markets.

Exhibit 13: Titan holds 43% share in organized market with store network of 2,700

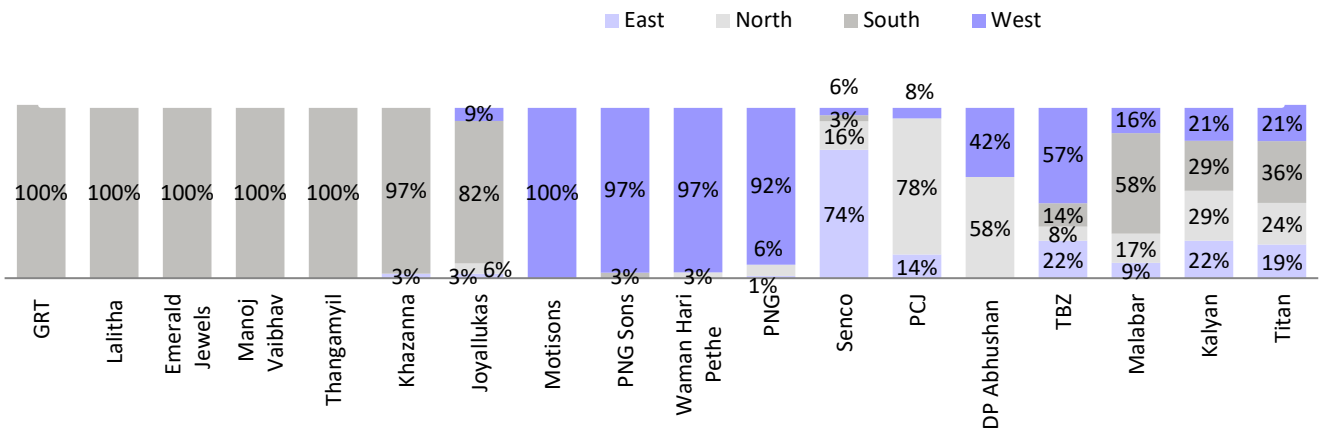


Source: MOFSL, Company

Titan leads the shift; capturing underpenetrated markets

- Indian jewelry market is heavily skewed toward South India (~40% share), where store density is already high, making it a more mature and competitive region. Other parts of India (mainly North and East) remain underpenetrated by organized players. It creates an opportunity for expansion, as organized players can gain share by increasing their presence in these regions.
- Titan is a pan-India player with a well-diversified regional presence. Although Titan also has a strong base in South India, it has steadily expanded across geographies. Its strong brand, trusted quality, and good store experience help it scale up effectively in new markets, where customers are gradually shifting from unorganized to organized players.
- Further, Titan is focusing on expanding into Tier 2/3/4 cities, where rising incomes are driving jewelry demand and the shift from unorganized to organized retail is still at a nascent stage and is accelerating. Tier 2/3/4 cities already contribute 30-35% of Titan’s jewellery revenue and have grown faster than Tier 1 cities.

Exhibit 14: Organized players store presence across regions

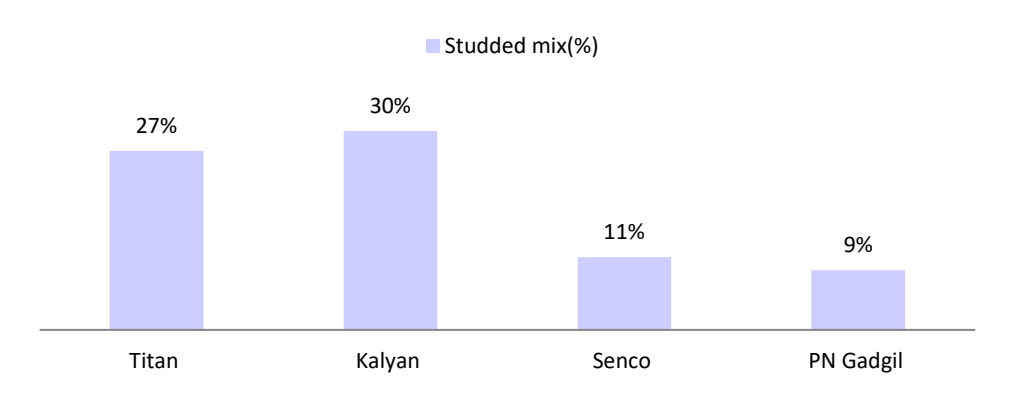


Source: MOFSL, Company

Higher studded mix strengthens margins and differentiation

- Titan continues to expand its studded jewelry segment, which currently stood at 30% vs. low teens a decade ago. Studded jewelry has delivered a ~22% CAGR over FY19-26E, supported by rising consumer preference for design-led offerings.
- The company has evolved beyond a traditional jeweler into a lifestyle and fashion-led brand, with jewelry as its core category. Titan's higher studded jewellery mix also provides a competitive edge over peers. It reduces sensitivity to gold price volatility while supporting superior margins and profitability.

Exhibit 15: Studded share of jewelry companies

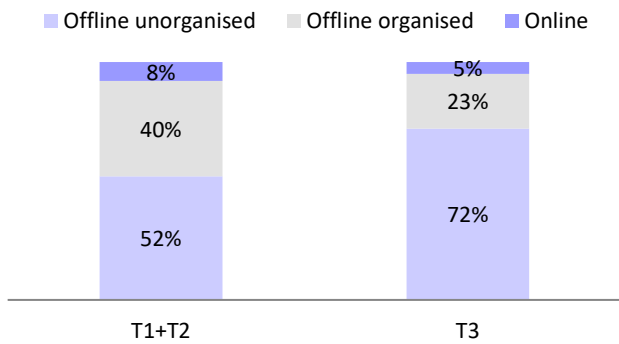


Source: MOFSL, Company

Caratlane: A smart bet paying off

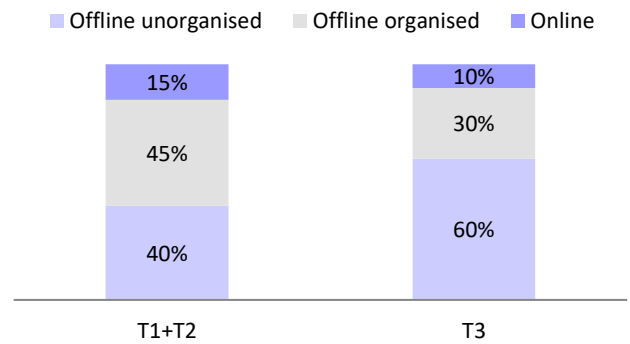
- Titan's acquisition of Caratlane in 2016 marked its entry into the online jewelry segment. The acquisition of a digital-first platform established Titan's presence on the online platform (in line with evolving consumer preferences toward e-commerce). Caratlane now contributes 6-7% to Titan's consolidated jewelry revenue.
- Caratlane is delivering a robust performance, with revenue increasing from INR4.2b in FY19 to INR47b in FY26 (~40% CAGR). The business has transitioned from losses to profitability, achieving a breakeven in FY21. EBIT margins have now reached double digits (~10% in FY26), reflecting operating leverage and a stable contribution to Titan's profitability.
- Omnichannel expansion has been a key growth driver, supported by Titan's retail expertise. Caratlane has scaled its store network from 55 in FY19 to 370 in FY26, significantly improving its reach and brand visibility. The company plans to expand to 425 stores across 200+ towns by FY27 and expand its customer base to ~3m from ~1.5m in FY24.
- Caratlane is well positioned to benefit from premiumization in the lightweight jewelry segment, particularly among younger consumers. Moreover, rising gold prices have accelerated consumer preference toward lightweight (18k/22k) jewelry, further supporting demand. We expect 20% revenue CAGR from Caratlane over FY26-28E. It plans to add 40-50 stores per year.

Exhibit 16: Indian jewelry- 2024 channel split



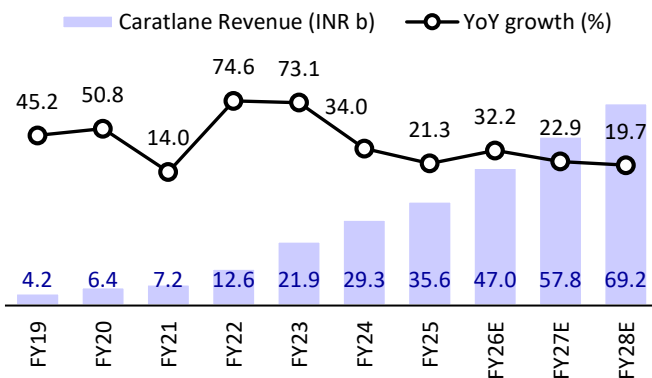
Source: Bluestone DRHP, Company

Exhibit 17: Indian jewelry- 2029E channel split



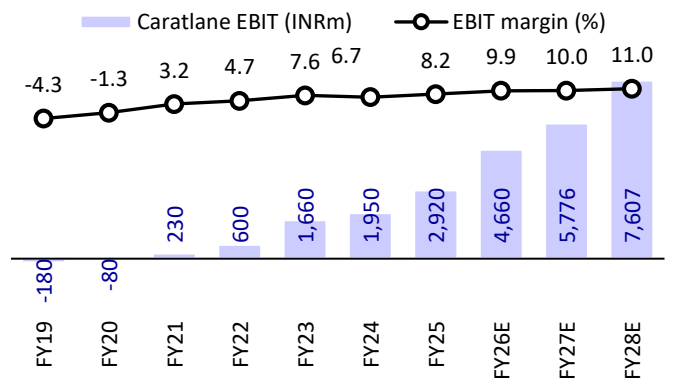
Source: Bluestone DRHP, Company

Exhibit 18: Caratlane revenue expected to grow with 21% CAGR over FY26-28E



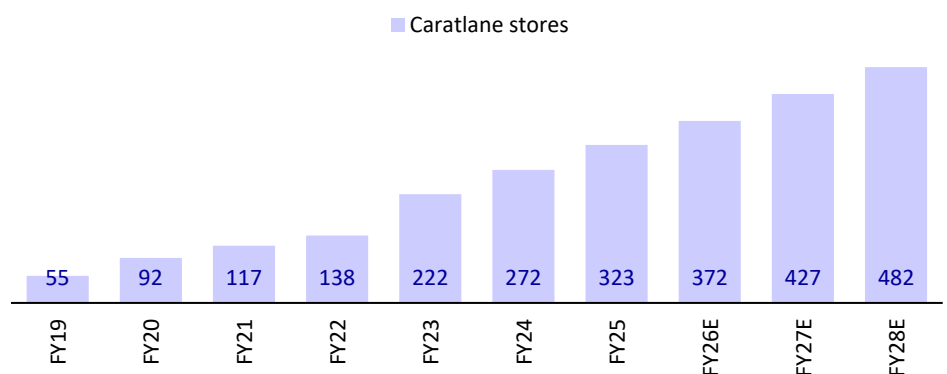
Source: MOFSL, Company

Exhibit 19: ...with the EBIT CAGR of 28%



Source: MOFSL, Company

Exhibit 20: Total Caratlane (India+ International) store expansion over the years



Source: MOFSL, Company

BeYon: Foraying into growing LGD space

- India remains underpenetrated in studded jewelry, with penetration at only 12–15% compared to 100% for gold. The relatively lower price points of lab-grown diamonds (LGDs) are expected to drive category expansion, particularly in a high gold price environment. Currently, LGDs account for just 2–4% of the studded jewelry market, indicating substantial headroom for growth.
- Titan believes India will evolve as an “AND” market, where both natural diamonds and LGDs co-exist. Titan has recently entered the LGD segment with the launch of its brand beYon in Mumbai (Dec’25). Titan positioned BeYon as a

design-led, fashion-forward brand, and targets modern consumers with aggressive pricing of INR23k–25k per carat, significantly lower than industry levels of INR40k–50k per carat. The brand will follow an omnichannel strategy, leveraging both online and offline retail channels.

- Given the nascent stage of the business, management has indicated that margin guidance remains premature. There are currently no plans for backward integration in LGDs, and exchange policies will be limited to the gold component (14/18 carat), excluding the stone. In the near term, Titan plans to scale the brand through 5–10 beYon stores across Mumbai and Delhi.

Exhibit 21: LGD brands pricing for 1 carat diamond (INR)

Brand	LGD 1 carat price	Color-Clarity
beYon	27,000	FG-VS
Origem	40,000	EF-VS
Aigiri	59,000	EF-VS
Limelight	55,000	EF-VS
Fiona Diamonds	50,000	EF-VS
JewelBox	40,000	EF-VS
Maiora Diamonds	38,000	EF-VS

Source: Company website, MOFSL

Damas acquisition: Expanding international footprint

- Titan is strengthening its GCC presence with a focus on catering to not only the Indian diaspora but also the Arab population. Titan has acquired a 67% stake in Damas Jewelry (excluding the luxury brand Graff) in Jul’25 through its wholly owned subsidiary at an EV of INR24.4b (AED1.04b), implying valuations of 6.9x EV/EBITDA and 0.7x EV/sales (CY24). The deal also includes an option to acquire the full ownership after Dec’29, providing long-term strategic flexibility.
- Damas, headquartered in Dubai, operates 146 stores across GCC markets and has strong brand equity among Arab consumers, with a premium positioning and higher studded jewellery mix compared to Tanishq.
- The acquisition provides Titan access to attractive market dynamics, with the UAE being largely organized (~60%) and Saudi Arabia still fragmented (~60% unorganized). Titan expects to unlock meaningful synergies through operational efficiencies in sourcing, inventory management, and pricing. Further benefits include improved capital structure, lower finance costs, and enhanced product innovation driven by exposure to Arab and international design trends.
- The company plans to adopt a dual-brand strategy in the GCC, with Tanishq catering to the South Asian diaspora and Damas targeting local Arab consumers.
- The transaction is funded through a mix of debt, internal accruals, and cash reserves, with a significant portion of borrowings at 6% interest. The acquisition is expected to be EPS dilutive in CY26 and neutral in CY27, it is projected to turn EPS accretive from CY28 onward.

Exhibit 22: Damas financial performance

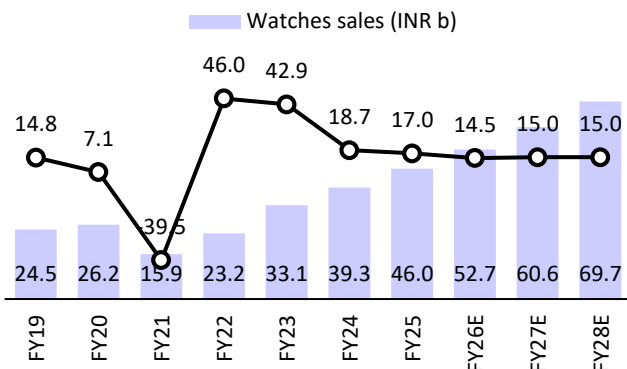
(in INR m)	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24
Revenue	49,570	40,226	37,127	32,147	28,917	18,854	25,001	26,559	31,033	33,935
YoY growth (%)		-19%	-8%	-13%	-10%	-35%	33%	6%	17%	9%
Gross Profit	14,363	11,794	10,325	9,133	5,540	4,645	6,213	5,353	7,207	8,353
Gross Margin (%)	29.0%	29.3%	27.8%	28.4%	19.2%	24.6%	24.9%	20.2%	23.2%	24.6%
EBITDA	7,109	6,195	4,046	1,996	(503)	169	2,447	2,750	3,522	3,550
EBITDA Margin (%)	14.3%	15.4%	10.9%	6.2%	-1.7%	0.9%	9.8%	10.4%	11.3%	10.5%
YoY growth (%)		-13%	-35%	-51%	-125%	-133%	1352%	12%	28%	1%
PBT							118	331	516	256
PBT Margin (%)							0.5%	1.2%	1.7%	0.8%

Source: Company website, MOFSL

Watches and wearables

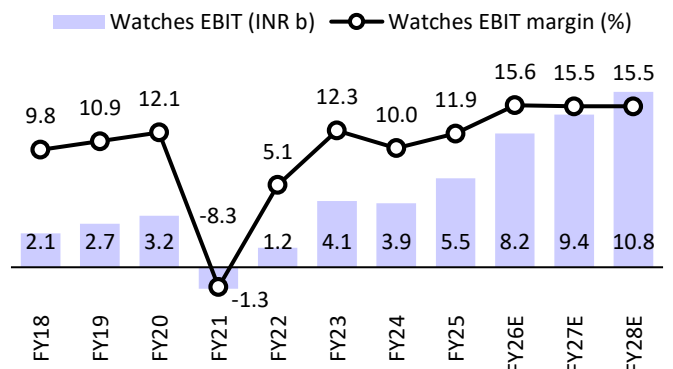
- The segment has been delivering consistent growth, delivering a 12% revenue CAGR over FY19-26. The growth is supported by premiumization trends which contributed to higher ticket sizes. The analog watch division have continued its growth momentum, led by Titan, Sonata and international brands in both premium and entry levels.
- EBIT has seen 17% CAGR over FY19-26 and margins has expanded to mid-teens.
- Store expansion continues, with the total store count reaching 1,311 in FY26. The company plans to add 80-90 stores per year across the formats.

Exhibit 23: Watches likely to post 15% CAGR over FY26-28



Source: MOFSL, Company

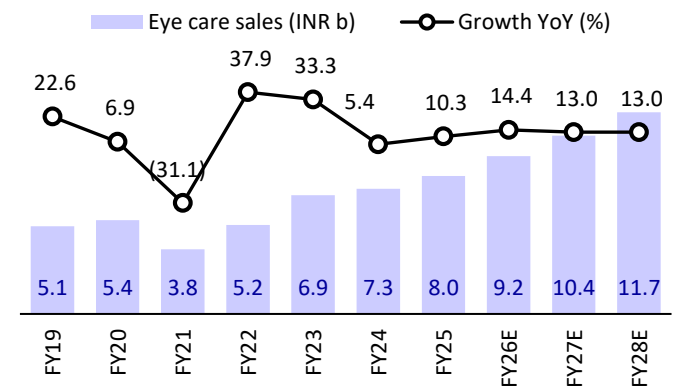
Exhibit 24: EBIT margins improved to mid-teens



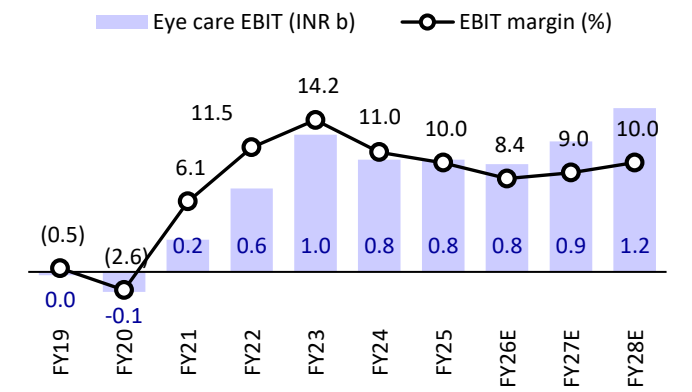
Source: MOFSL, Company

Eye Care division

- Titan Eye+ has become a trusted name in India’s eyewear space, bringing together precision, style, and accessibility. Its stores feature a wide range of eyewear products, including in-house brands like Titan, Titan Glares and Fastrack, alongside premium international labels.
- The segment is showing steady demand across core categories. The category has delivered 9% revenue CAGR over FY19-26.

Exhibit 25: EyeCare delivered steady performance


Source: MOFSL, Company

Exhibit 26: EBIT margins saw moderation


Source: MOFSL, Company

Exhibit 27: Stock performance of coverage universe

Particulars	Returns					
	1 st Apr '26	27th Feb (before War)	3M	6M	1Y	3 yr CAGR (%)
Nifty 50	4.1%	-6.2%	-7.2%	-9.3%	-5.3%	9.1%
Jewelry						
Titan Company	0.9%	-5.2%	-2.3%	4.3%	13.4%	14.9%
Kalyan Jewellers	-11.1%	-16.1%	-15.0%	-31.1%	-38.5%	48.6%
P N Gadgil Jewe.	-7.1%	-5.6%	-8.8%	-18.5%	-6.9%	NA
Senco Gold	16.1%	5.6%	0.4%	3.7%	-8.9%	NA
Staples						
Britannia Inds.	-1.1%	-9.8%	-11.3%	-7.8%	-1.9%	6.4%
Colgate-Palmoliv	20.3%	-2.9%	1.0%	0.2%	-19.3%	10.8%
Dabur India	9.1%	-12.7%	-9.7%	-12.5%	-6.3%	-4.5%
Emami	10.6%	-6.0%	-10.4%	-14.9%	-32.0%	3.5%
Godrej Consumer	2.5%	-16.1%	-14.0%	-10.3%	-20.9%	0.4%
Hind. Unilever	8.1%	-4.5%	-2.0%	-7.1%	-4.8%	-5.0%
ITC	6.4%	-1.1%	-4.8%	-23.1%	-28.7%	-7.9%
Jyothy Labs	3.8%	-15.8%	-11.0%	-30.7%	-38.6%	0.6%
Marico	11.7%	5.4%	6.6%	11.1%	16.0%	16.5%
Nestle India	21.2%	10.8%	12.0%	11.9%	18.9%	9.7%
P & G Hygiene	-0.4%	-14.5%	-15.7%	-24.8%	-32.1%	-10.6%
Zydus Wellness	16.8%	32.3%	27.2%	11.7%	38.9%	20.2%
Paints						
Asian Paints	16.8%	9.4%	8.3%	-10.1%	11.6%	-5.5%
Indigo Paints	27.5%	2.0%	-1.0%	-26.1%	-7.8%	-12.0%
Pidilite Inds.	11.4%	-2.4%	-0.6%	-1.4%	-5.1%	4.3%
Liquor						
United Breweries	-14.9%	-16.0%	-16.1%	-22.9%	-34.3%	-1.6%
United Spirits	4.5%	-5.5%	-6.6%	-7.6%	-16.1%	16.9%
Radico Khaitan	34.1%	35.9%	32.1%	11.5%	39.1%	46.0%
Inerwear						
Page Industries	18.6%	20.5%	18.7%	-0.3%	-19.5%	-2.4%
QSR						
Barbeque-Nation	63.4%	40.8%	33.8%	81.1%	-1.7%	-19.0%
Devyani Intl.	22.7%	-6.9%	-10.8%	-18.5%	-35.0%	-13.4%
Jubilant Food.	6.6%	-9.0%	-9.9%	-20.5%	-31.9%	0.3%
Restaurant Brand	15.5%	7.4%	6.8%	8.7%	-16.6%	-16.7%
Sapphire Foods	19.0%	-9.5%	-15.6%	-29.7%	-43.6%	-10.7%
Westlife Food	1.1%	-5.7%	-8.5%	-17.0%	-33.6%	-14.2%

Source: Bloomberg, MOFSL

Exhibit 28: Peer Comparison

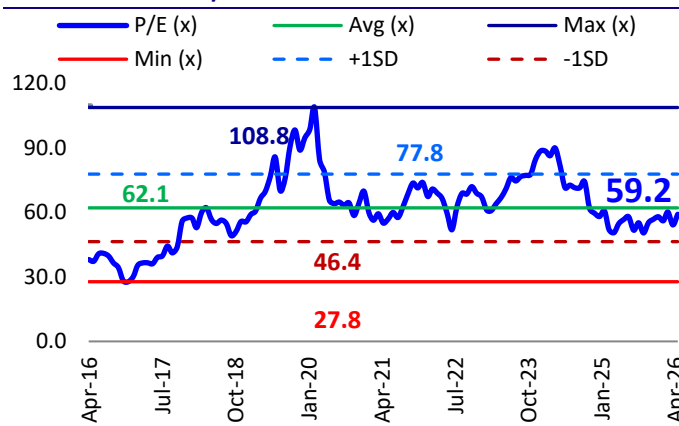
Company	CMP (INR)	TP (INR)	Reco	EPS (INR)			EPS Growth YoY (%)			P/E (x)			EV/EBITDA (x)			RoE (%)		Div. (%)
				FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY26
KALYANKJ	344	575	Buy	13.4	16.8	19.9	71	25	19	26	21	17	16	12	11	24.9	24.9	0.7
PNG	521	715	Buy	30.4	32.3	36.5	75	6	13	17	16	14	15	13	12	23.5	20.1	0.0
SENCO	335	325	Neutral	31.1	20.9	22.8	152	(33)	9	11	16	15	8	10	10	23.1	13.1	0.5
TTAN	4,102	5,150	Buy	57.9	72.4	87.4	37	25	21	72	57	48	45	37	31	37.7	36.1	0.3

Source: Company MOFSL

Valuation and view

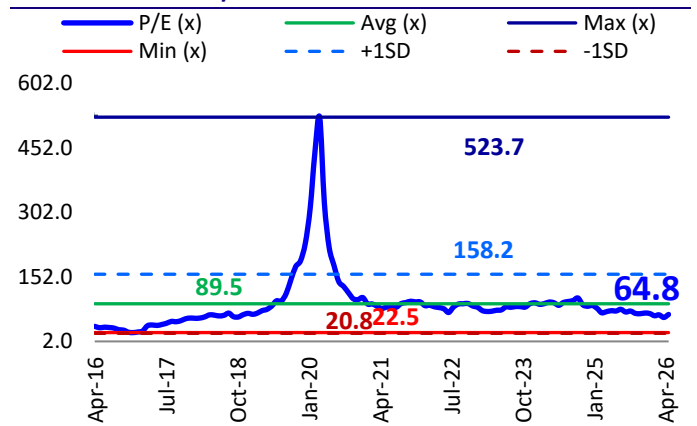
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. Its brand recall and business moat are not easily replicable; therefore, Tanishq’s competitive edge will remain strong in the category.
- The Jewelry store count reached 1,349 as of Mar’26, and the expansion story remains intact. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We reduce our EPS estimates by 2% for FY27 and 1% for FY28 due to increase in custom duty. However, we believe Titan can manage the ongoing situation well by keep finding new gold sourcing avenues (temple jewellery, exchange, etc), superior balance sheet can help in regulator tightening. With better long term growth prospects, historically stock performance post one-year of regulatory announcement has mostly been positive (outperforming to NIFTY-50 as well). We reiterate our BUY rating on the stock with a TP of INR5,150 at 60x Mar’28E EPS.

Exhibit 29: TTAN P/E



Source: MOFSL, Company

Exhibit 30: Retail P/E



Source: MOFSL, Company

Financials and valuations

Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	210.5	216.4	288.0	405.8	510.8	604.6	875.8	994.7	1,146.2
Change (%)	6.4	2.8	33.1	40.9	25.9	18.3	44.9	13.6	15.2
Gross Profit	59.0	52.3	71.6	102.2	116.5	135.4	172.8	213.9	249.9
Margin (%)	28.0	24.2	24.9	25.2	22.8	22.4	19.7	21.5	21.8
Other expenditure	34.0	35.1	37.4	53.4	63.6	73.1	89.2	114.0	129.7
EBITDA	24.9	17.2	34.2	48.8	52.9	62.4	83.6	99.9	120.1
Change (%)	25.1	-30.8	98.5	42.5	8.5	17.9	34.0	19.5	20.3
Margin (%)	11.8	8.0	11.9	12.0	10.4	10.3	9.5	10.0	10.5
Depreciation	3.5	3.8	4.0	4.4	5.8	6.9	8.3	9.5	10.4
Int. and Fin. Charges	1.7	2.0	2.2	3.0	6.2	9.5	11.8	11.4	12.4
Other Income - Recurring	1.5	1.9	2.3	3.1	5.3	4.9	5.5	5.8	6.2
Deferred Revenue Expenditure	0	0	0	0	0	0	0	0	0
Profit before Taxes	21.3	13.3	30.4	44.5	46.2	50.8	69.0	84.7	103.5
Change (%)	8.8	-37.5	128.2	46.3	4.0	9.8	35.9	22.8	22.2
Margin (%)	10.1	6.2	10.6	11.0	9.0	8.4	7.9	8.5	9.0
Tax	5.8	3.6	7.9	11.5	11.0	13.0	17.6	21.5	26.2
Deferred Tax	-0.4	0.1	0.8	-0.2	-0.3	-0.2	0.1	0.0	0.0
Tax Rate (%)	28.9	26.5	23.2	26.4	24.4	25.9	25.4	25.4	25.4
Profit after Taxes	15.2	9.8	23.3	32.7	35.0	37.6	51.5	63.2	77.3
Change (%)	8.9	-35.4	138.4	40.2	6.8	7.6	36.9	22.8	22.2
Margin (%)	7.2	4.5	8.1	8.1	6.8	6.2	5.9	6.4	6.7
Extraordinary income	0	0	-1	0	0	-4	-1	0	0
Reported PAT	14.9	9.7	22.0	32.7	35.0	33.4	50.7	63.2	77.3

Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Reserves	65.8	74.1	92.1	117.6	93.0	115.4	156.1	200.4	254.5
Net Worth	66.7	75.0	93.0	118.5	93.9	116.2	157.0	201.3	255.4
Loans	7.2	1.7	5.2	22.0	78.4	102.9	113.8	108.3	103.3
Lease liabilities	12.4	12.6	13.6	18.7	23.5	26.8	31.7	32.0	34.8
Deferred Tax	-1.5	-1.0	-1.8	-1.6	-1.8	-1.7	-1.7	-1.7	-1.7
Capital Employed	100.7	130.4	164.3	211.2	247.4	322.3	461.5	431.9	511.9
Gross Block	17.5	18.0	19.3	21.9	27.3	30.4	42.3	45.8	49.3
Less: Accum. Depn.	4.6	5.8	7.1	8.4	10.0	11.8	15.4	19.2	23.2
Net Fixed Assets	12.9	12.2	12.2	13.4	17.4	18.5	26.8	26.6	26.1
Intangibles	2.7	2.4	2.3	2.5	3.1	3.1	11.1	10.4	9.6
Capital WIP	0.1	0.2	0.7	1.3	0.9	0.9	1.4	1.4	1.4
Right of use asset	9.3	9.1	9.7	12.9	15.4	17.7	22.0	21.7	20.9
Investments	1.6	28.2	2.9	25.2	23.5	19.9	35.1	35.1	35.1
Curr. Assets, L&A	105.8	109.7	180.8	212.1	252.1	343.2	498.4	493.8	595.3
Inventory	81.0	84.1	136.1	165.8	190.5	281.8	427.4	368.4	480.6
Account Receivables	3.1	3.7	5.7	6.7	10.2	10.7	9.2	20.4	23.6
Cash and Bank Balance	3.8	5.6	15.7	13.4	15.3	15.8	19.2	50.6	31.6
Others	17.9	16.3	23.4	26.1	36.2	34.9	42.7	54.4	59.6
Curr. Liab. and Prov.	33.2	33.0	45.8	57.5	66.3	82.4	142.4	166.2	185.6
Current Liabilities	24.4	23.3	30.5	41.6	48.4	58.3	106.7	129.9	143.7
Provisions	2.9	1.9	2.4	3.7	3.7	4.5	7.0	9.1	10.5
Net Current Assets	72.6	76.6	135.0	154.6	185.9	260.8	356.0	327.6	409.7
Application of Funds	100.7	130.3	164.3	211.2	247.4	322.3	461.5	431.9	511.9

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)									
EPS	17.1	11.0	26.2	36.8	39.3	42.3	57.9	71.1	86.8
Cash EPS	18.8	12.9	28.2	38.8	41.9	45.3	62.0	75.2	91.3
BV/Share	74.9	84.2	104.5	133.2	105.5	130.6	176.4	226.2	287.0
DPS	6.1	4.0	7.5	10.0	11.0	12.4	11.2	21.3	26.0
Payout %	35.8	36.4	28.6	27.2	28.0	29.3	19.3	30.0	30.0
Valuation (x)									
P/E	239.9	371.4	156.2	111.4	104.3	96.9	70.8	57.6	47.2
Cash P/E	217.6	318.3	145.1	105.6	97.8	90.3	66.1	54.4	44.8
EV/Sales	17.3	16.7	12.6	8.9	7.2	6.1	4.2	3.7	3.2
EV/EBITDA	146.3	209.5	106.1	74.4	69.6	59.5	44.3	36.7	30.6
P/BV	54.7	48.6	39.2	30.8	38.8	31.4	23.2	18.1	14.3
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.5	0.6
Return Ratios (%)									
RoE	23.8	13.8	27.8	30.9	32.9	35.8	37.7	35.3	33.8
Operating RoE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RoCE	17.7	9.8	17.0	18.6	17.3	15.7	15.4	16.1	18.3
RoIC	18.2	10.3	19.2	20.7	18.8	16.7	16.3	18.0	20.8
Working Capital Ratios									
Debtor (Days)	5	6	7	6	7	6	4	8	8
Asset Turnover (x)	2.1	1.7	1.8	1.9	2.1	1.9	1.9	2.3	2.2
Leverage Ratio									
Debt/Equity (x)	0.1	0.0	0.1	0.2	0.8	0.9	0.7	0.5	0.4

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
(INR b)									
OP/(loss) before Tax	21.0	13.3	29.0	44.5	46.2	45.4	68.0	84.7	103.5
Int./Div. Received	-0.4	-0.6	-1.3	-1.1	-1.7	-1.2	-0.8	-5.8	-6.2
Deferred Revenue Exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amort.	3.5	3.8	4.0	4.4	5.8	6.9	8.3	9.5	10.4
Interest Paid	0.7	1.4	1.2	1.6	3.7	6.7	9.0	11.4	12.4
Direct Taxes Paid	5.6	2.7	8.0	11.5	11.7	10.9	17.4	21.5	26.2
Incr in WC	22.7	-26.2	32.2	24.1	25.4	52.3	11.2	8.7	73.1
CF from Operations	-3.5	41.4	-7.2	13.7	17.0	-5.4	55.9	69.7	20.8
Extraordinary Income	-0.2	0.0	-1.4	0.0	0.0	-4.3	-0.8	0.0	0.0
Incr in FA	3.5	1.4	2.2	4.2	6.7	4.7	8.8	4.3	4.3
Free Cash Flow	-6.9	40.0	-9.4	9.5	10.2	-10.1	46.3	65.4	16.5
Investments	-3.2	27.3	-16.4	18.6	-3.1	3.4	8.2	0.0	0.0
Others	0.7	-1.4	-7.1	-2.2	-1.8	-14.1	14.0	-1.8	-2.2
CF from Invest.	-1.0	-27.3	21.4	-20.6	-1.8	6.1	-31.8	-2.5	-2.1
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Incr in Debt	6.9	-5.6	3.4	16.8	56.3	22.1	6.8	-5.5	-5.0
Dividend Paid	5.4	3.6	3.6	6.7	8.9	9.8	9.8	19.0	23.2
Others	4.0	3.2	3.9	5.5	60.7	12.5	18.7	11.2	9.5
CF from Fin. Activity	-2.4	-12.3	-4.0	4.6	-13.3	-0.1	-21.6	-35.7	-37.7
Incr/Decr of Cash	-6.9	1.8	10.1	-2.3	1.8	0.6	2.5	31.5	-19.1
Add: Opening Balance	10.7	3.8	5.6	15.7	13.4	15.3	15.8	19.2	50.6
Closing Balance	3.8	5.6	15.7	13.4	15.3	15.8	18.4	50.6	31.6

E: MOFSL Estimates

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.