10 September 2026

Company Update | Sector: Consumer

Titan Company

BSE SENSEX	S&P CNX
74,903	23,478

CMP: INR5,000 TP: INR6,000 (+20%) Buy

Growth runway remains long; guidance remains intact

- We met the CFO of Titan Company (TTAN), Mr. Ashok Sonthalia, to discuss industry trends, demand outlook, competitive intensity, and the company's growth and margin trajectory. TTAN remains constructive on the long-term jewelry opportunity, supported by sustained industry formalization, improving buyer growth, and continued store expansion. TTAN's jewelry market share has increased to 8.5% in FY26 from 4.5% in FY19 and is targeted to reach ~11% by FY30. The company plans to expand its jewelry network from 824 stores (ex-CaratLane) in FY26 to 1,400 stores by FY30. Management remains confident of achieving its FY30 targets, including ~20% revenue CAGR (FY26-30) at the consolidated level, backed by higher execution intensity. Management remains comfortable with sustaining jewelry EBIT margin at around the ~11% level over the medium term.
- Current demand remains healthy and in line with 1QFY27 trends, with buyer growth improving and festive-led purchases gaining traction across regions. Management highlighted increasing jewelry purchases around Dhanteras in South India, indicating a broader regionalization of festive demand. Internationally, Tanishq remains focused on localization, with Indian customers accounting for 80-85% of its overseas customer base.
- In our recent jewelry thematic (link), we highlighted that formalization offers a long runway for further share gains. Organized retail accounts for only 40-45% of the ~INR8.5t Indian jewelry market, albeit up from 20-25% in FY19. Even TTAN, the largest player, commands only 8.5% market share, highlighting the significant headroom for branded players to continue gaining share. TTAN's expanding store network, multi-format portfolio, and established brand equity should enable it to disproportionately benefit from this structural shift.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. Apart from industry formalization, stability in gold prices can further improve margin visibility for TTAN. Overall, we remain constructive on growth in the jewelry industry, particularly among top players, with TTAN as the bellwether and, given its superior historical execution track record, best positioned to benefit. We model a CAGR of 17% in sales, 21% in EBITDA, and 23% in APAT over FY26-29E. We reiterate our BUY on the stock with a TP of INR6,000, based on 60x Sep'28E EPS.

Jewelry industry formalization underway; organized players well placed

- Management believes the jewelry industry is undergoing sustained formalization, supported by increased capital availability, accelerated store additions by organized players, and the continued benefits of hallmarking. Several companies have raised capital and expanded their retail networks, which is aiding formalization while creating a more organized competitive landscape. Management believes leading organized players are gaining share from this structural shift.

Stock Info

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	4447.8 / 46.6
52-Week Range (INR)	5187 / 3303
1, 6, 12 Rel. Per (%)	3/22/44
12M Avg Val (INR M)	4360
Free float (%)	47.0

Financials Snapshot (INR b)

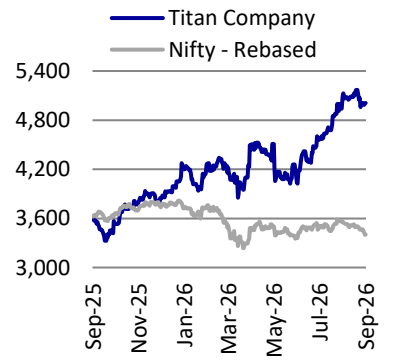
Y/E Mar	2027E	2028E	2029E
Sales	1,056.3	1,225.6	1,413.1
Sales Gr. (%)	20.6	16.0	15.3
EBITDA	103.7	124.6	146.9
Margins (%)	9.8	10.2	10.4
Adj. PAT	65.6	80.6	96.5
Adj. EPS (INR)	73.7	90.6	108.5
EPS Gr. (%)	27.3	22.9	19.8
BV/Sh.(INR)	228.0	291.4	367.3
Ratios			
RoE (%)	36.4	34.9	32.9
RoCE (%)	16.5	18.6	18.8
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	68.0	55.3	46.2
P/BV (x)	22.0	17.2	13.6
EV/EBITDA (x)	43.5	36.1	30.5
Div. Yield (%)	0.4	0.5	0.6

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	52.9	52.9	52.9
DII	15.3	15.0	12.8
FII	15.4	15.7	17.6
Others	16.3	16.3	16.7

FII Includes depository receipts

Stock's performance (one-year)



Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Amey Tiwari (Amey.Tiwari@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Competitive intensity has increased meaningfully over the past three years, although management believes this has ultimately strengthened TTAN by sharpening execution and competitive positioning. While new entrants continue to add to competitive intensity, many tend to lose their edge after initial pickup. TTAN, however, has consistently executed its playbook to compete effectively across brands.
- TTAN's market share in jewelry has increased to 8.5% in FY26 from 4.5% in FY19 and is targeted to reach ~11% by FY30. Management anticipates multiple structural tailwinds to support the jewelry industry over the next 10-15 years, with continued formalization emerging as a key driver of long-term growth.

Demand trends remain healthy; buyer growth improving

- Management indicated that demand trends remain healthy as seen in 1QFY27, buyer growth is improving. Festive demand is picking up, with jewelry purchases becoming more prominent across regions. Dhanteras, traditionally associated more strongly with the North, is increasingly seeing jewelry purchases in South India as well.
- Jewelry gifting remains a significant growth theme, with management seeing increasing relevance of jewelry as a gifting category. Retail inventory remains an important focus area for the industry as organized players continue to scale their store networks.
- Management does not view diamonds as a standard commodity similar to gold and believes consumer purchase decisions are strongly linked to trust, product experience, and the ability to provide a differentiated buying experience.
- TTAN remains positive on the longer-term diamond opportunity and is not particularly concerned about near-term diamond-price movements. CaratLane, despite its significantly higher exposure to diamonds, has not seen impact from the shift towards lab-grown diamonds (LGD).
- TTAN remains comfortable with the longer-term growth trajectory and believes the FY30 targets remain achievable backed by stronger execution.

South India offers meaningful runway; Tamil Nadu remains key opportunity

- Management stated that demand momentum in South India remains healthy, with festive-led purchases gaining traction. Dhanteras, traditionally a stronger buying occasion in the North, is increasingly seeing jewelry purchases in the South as well.
- Tamil Nadu remains the largest jewelry market in India, providing a significant opportunity for Tanishq to further build its presence.

Tanishq expansion provides significant medium-term runway

- Tanishq is currently present across ~300 cities, with management seeing scope to expand to 400-450 cities over time. The brand has demonstrated that it can operate successfully even in cities with populations of around 200k, providing a meaningful runway beyond the existing top markets.
- Management sees potential for around 40 store additions annually, with roughly 20 stores in existing cities and the balance through expansion into new cities. The company sees potential to expand into another ~150 cities over time.

Regional advertising continues to work well, supporting brand building and customer acquisition beyond larger metropolitan markets.

Multi-format portfolio broadens customer opportunity

- TTAN continues to benefit from its presence across multiple jewelry formats, with Mia positioned as an everyday jewelry brand focused on younger consumers and working women, while Zoya caters to the luxury segment. Mia has scaled rapidly from less than INR1b pre-Covid to over INR20b in FY26 (Consumer Price), reflecting strong consumer acceptance and category expansion. Zoya has also scaled from less than INR1b pre-Covid and aspires to reach INR5b in FY27 (Consumer Price), driven by its focus on exclusivity, craftsmanship and premium customer experiences.
- BeYon is positioned as a design-led, fashion-forward brand targeting modern consumers, with the company planning to open 100 stores over the medium term.

Margins to remain in the guided range

- Management indicated that gold-price inflation is largely passed on to consumers. It further indicated that while coin demand has moderated slightly, this has not materially altered the broader jewelry demand outlook.
- On margins, management indicated that a correction in gold prices could provide a natural opportunity for margin expansion. However, in a stable gold-price environment, margin expansion would require multiple factors to play out favorably. It also stated that any improvement in profitability would potentially be reinvested into the business to support growth.
- TTAN remains confident in maintaining jewelry EBIT margins at ~11% over the medium term.

International business to gain steady momentum

- The US business has a higher mix of studded jewelry, supported by a dedicated design and marketing team for the market and separate teams across functions other than production. Product development is driven by local consumer feedback through a strong customer-feedback loop, rather than a push-led strategy.
- Tanishq's Dubai business is also highly localized, with the company focused on understanding and catering to the local customer base. Management highlighted that international expansion requires identifying and targeting the Indian customer base across markets, while recognizing that the customer mix can vary meaningfully by geography, including differences between North, South, and other regional cohorts.
- Indians account for 80-85% of Tanishq's customers in its international markets, although the brand also attracts customers from several Asian markets.
- The Middle East market has witnessed lower footfalls post weak international tourism, while jewelry ticket sizes have also remained under pressure.
- Management is focusing on improving conversion, undertaking several initiatives to drive demand, and exploring backend synergies. It expects demand at Damas to improve gradually rather than seeing an immediate recovery.

- Despite the challenging global environment, Damas has not undertaken job cuts, even as several other brands have reduced employee numbers. Management believes Damas could potentially serve as a playbook for scaling TTAN's international jewelry business.

FY30 growth ambitions remain intact

- At the consolidated level, TTAN is targeting 2.0x revenue and EBIT growth by FY30, implying ~20% CAGR over FY26-30. For domestic jewelry, management targets 20% revenue CAGR through FY30, implying 2x revenue growth and 1.8x EBIT growth.
- CaratLane targets 2.3x revenue growth and 2.5x EBIT growth by FY30, supported by continued premiumization, category expansion, and operating leverage. TTAN plans to expand its jewelry network from 824 stores (ex-CaratLane) in FY26 to 1,400 stores by FY30, with plans to add ~40 Tanishq stores and 60 Mia stores annually, alongside renovation of ~60 existing Tanishq stores each year.
- On the international front, the company expects the overseas Tanishq and Mia businesses to scale to 2.5x revenue and 5.5x EBIT by FY30. For Damas, management has outlined a 2.0x revenue ambition with high-single-digit margins.
- For the eye-care business, TTAN targets 2.52x growth in revenue and 2.5x EBIT by FY30 on FY26, driven by same-store growth, productive store additions, and ASP-led premiumization. The watches & wearables category is targeted to deliver 2.1x sales growth and 2.2x EBIT growth over the same period.

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 store count reached 3,551 as of Jun'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.
- Apart from industry formalization, stability in gold prices can further improve margin visibility for TTAN. Overall, we remain constructive on growth in the jewelry industry, particularly among top players, with TTAN as the bellwether and, given its superior historical execution track record, best positioned to benefit. **We model a CAGR of 17% in sales, 21% in EBITDA, and 23% in APAT over FY26-29E. We reiterate our BUY rating on the stock with a TP of INR6,000, based on 60x Sept'28E EPS.**

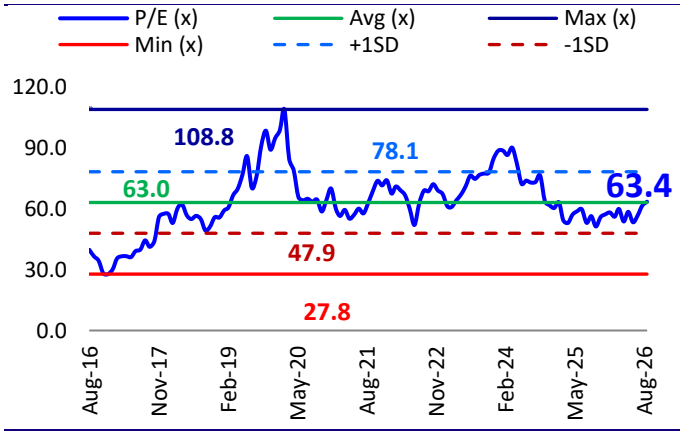
Exhibit 1: TTAN's segmental performance over the years

Segmental Information	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales (INR b)											
Jewelry	163.9	173.2	193.2	255.2	359.1	455.2	539.7	796.6	960.4	1114.1	1283.9
Watches & Wearables	24.5	26.2	15.9	23.2	33.1	39.3	46.0	52.7	62.2	71.5	81.5
Eyewear	5.1	5.4	3.8	5.2	6.9	7.3	8.0	9.2	10.8	12.4	14.4
Others	6.2	7.2	5.5	6.8	9.7	14.4	15.8	22.9	28.7	33.8	39.9
Total	**199.6**	**212.0**	**218.3**	**290.3**	**408.8**	**516.2**	**609.4**	**881.4**	**1062.1**	**1231.8**	**1419.8**
Sales Growth (YOY)											
Jewelry	23.6	5.7	11.6	32.1	40.7	26.8	18.5	47.6	20.6	16.0	15.2
Watches & Wearables	14.8	7.1	-39.5	46.0	42.9	18.7	17.0	14.5	18.0	15.0	14.0
Eyewear	22.6	6.9	-31.1	37.9	33.3	5.4	10.3	14.4	18.0	15.0	16.0
Others	39.3	17.0	-23.9	23.4	43.5	48.1	9.7	45.4	25.0	18.0	18.0
Sales mix (%)											
Jewelry	82%	82%	89%	88%	88%	88%	89%	90%	90%	90%	90%
Watches & Wearables	12%	12%	7%	8%	8%	8%	8%	6%	6%	6%	6%
Eyewear	3%	3%	2%	2%	2%	1%	1%	1%	1%	1%	1%
Others	3%	3%	3%	2%	2%	3%	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	89.5	108.0	127.8
Watches & Wearables	2.7	3.2	-1.3	1.2	4.1	3.9	5.5	8.2	9.3	10.9	12.6
Eyewear	0.0	-0.1	0.2	0.6	1.0	0.8	0.8	0.8	0.9	1.1	1.4
Others	-1.6	-0.8	-0.6	-0.6	-1.5	-0.4	-0.5	-0.3	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	24.1	20.7	18.3
Watches & Wearables	27.9	18.5	-141.8	-190.2	242.9	-3.7	39.4	50.4	13.1	17.3	15.5
Eyewear	-199.2	502.1	-260.5	158.7	64.7	-18.4	0.0	-3.8	20.7	20.3	22.4
Others	79.1	-48.0	-26.9	-4.8	147.5	-70.5	9.3	-40.4	L/P	18.0	18.0
EBIT Margin (%)											
Jewelry	11.6	11.8	8.8	12.1	12.2	10.6	10.1	9.0	9.3	9.7	10.0
Watches & Wearables	10.9	12.1	-8.3	5.1	12.3	10.0	11.9	15.6	15.0	15.3	15.5
Eyewear	-0.5	-2.6	6.1	11.5	14.2	11.0	10.0	8.4	8.6	9.0	9.5
Others	-26.5	-11.8	-11.3	-8.7	-15.1	-3.0	-3.0	-1.2	1.0	1.0	1.0

Exhibit 2: TTAN Jewelry's performance over the years

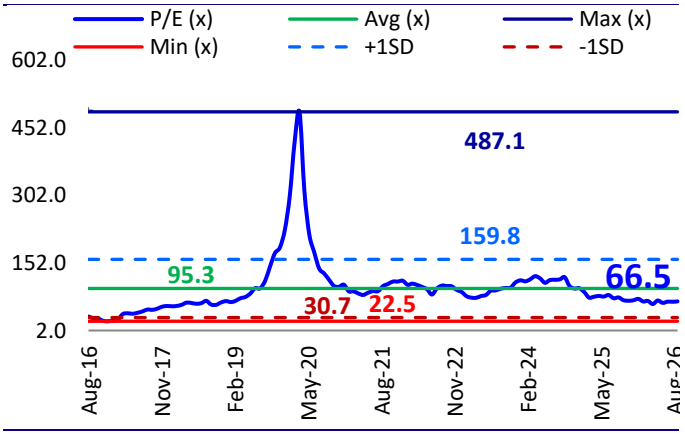
Titan Jewelry business (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Standalone Jewelry Sales (Ex-bullion)	160.3	167.4	172.7	232.7	319.0	383.5	465.7	611.5	773.0	903.4	1,046.2
YoY growth (%)	0	4%	3%	35%	37%	20%	21%	31%	26%	17%	16%
Tanishq SSSG (%)	16%	3%	-9%	41%	32%	15%	13%	27%	21%	11%	10%
Studded mix (%)	30%	31%	27%	28%	29%	29%	27%	27%	27%	27%	27%
Domestic Stores	**340**	**369**	**397**	**444**	**534**	**649**	**745**	**824**	**932**	**1,041**	**1,145**
- Tanishq	287	327	353	389	416	464	501	528	578	628	678
- Mia	50	38	40	50	111	177	232	282	332	382	432
- Zoya	3	4	4	5	7	8	12	13	17	21	25
- beYon	-	-	-	-	-	-	-	1	5	10	10
Standalone bullion Sales	-	-	13.6	10.3	22.1	39.4	26.6	99.6	65.0	65.0	65.0
YoY growth (%)	0	0	0%	-24%	114%	78%	-33%	275%	-35%	0%	0%
Caratlane Sales	4.2	6.4	7.2	12.6	21.9	29.3	35.6	47.0	61.5	75.5	92.0
-YoY growth (%)	0	51%	14%	75%	73%	34%	21%	32%	31%	23%	22%
Caratlane SSSG (%)	0%	9%	-15%	66%	61%	6%	16%	19%	22%	15%	15%
Domestic Caratlane Store	55	92	117	138	222	272	322	370	422	474	529
International Sales	-	-	-	-	-	9.3	15.9	32.5	61.7	70.9	81.6
YoY growth (%)	0	0	0	0	0	0	71%	104%	90%	15%	15%
International stores	**-**	**-**	**-**	**-**	**7**	**16**	**24**	**155**	**170**	**183**	**188**
- Damas	-	-	-	-	-	-	-	123	130	135	135
- Tanishq, Mia and Caratlane	-	-	-	-	7	16	24	32	40	48	53
Others Sales (Intersegment+Bullion)	(0.6)	(0.5)	(0.4)	(0.4)	(3.8)	(6.3)	(4.1)	6.0	(0.8)	(0.8)	(0.8)
Total Sales	**164**	**173**	**193**	**255**	**359**	**455**	**540**	**797**	**960**	**1,114**	**1,284**
Total stores	**395**	**461**	**514**	**582**	**763**	**937**	**1,091**	**1,349**	**1,524**	**1,698**	**1,862**
Jewelry EBIT									**FY27E**	**FY28E**	**FY29E**
Standalone Jewelry EBIT (Ex-bullion)	19.5	20.6	16.9	30.3	43.6	47.3	53.1	66.0	84.3	98.5	115.1
YoY growth (%)	0	6%	-18%	80%	44%	8%	12%	24%	28%	17%	17%
EBIT margin (%)	12.2%	12.3%	9.8%	13.0%	13.7%	12.3%	11.4%	10.8%	10.9%	10.9%	11.0%
Caratlane EBIT	(0.2)	(0.1)	0.2	0.6	1.7	2.0	2.9	4.7	6.5	8.2	10.3
YoY growth (%)	0	0	-388%	161%	177%	17%	50%	60%	39%	26%	26%
EBIT margin (%)	-4.3%	-1.3%	3.2%	4.7%	7.6%	6.7%	8.2%	9.9%	10.5%	10.8%	11.2%
International	-	(0.0)	(0.1)	(0.0)	(1.4)	(1.1)	(1.6)	1.4	(1.2)	1.4	2.4
YoY growth (%)	0	0	0	0	0	0	0	0%	-187%	-215%	73%
EBIT margin (%)	0	0	0	0	0	0	0	4.4%	-2.0%	2.0%	3.0%
Total EBIT	**19.3**	**20.5**	**17.0**	**30.8**	**43.9**	**48.1**	**54.4**	**72.1**	**89.5**	**108.0**	**127.8**
YoY growth (%)	0	6%	-17%	81%	42%	10%	13%	32%	24%	21%	18%
EBIT margin (%)	11.6%	11.8%	8.8%	12.1%	12.2%	10.6%	10.1%	9.0%	9.3%	9.7%	10.0%

Exhibit 3: TTAN P/E (x)



Source: Bloomberg, Company, MOFSL

Exhibit 4: Retail sector – P/E (x)



Source: Bloomberg, Company, MOFSL

Financials and valuations

Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	**210.5**	**216.4**	**288.0**	**405.8**	**510.8**	**604.6**	**875.8**	**1,056.3**	**1,225.6**	**1,413.1**
Change (%)	6.4	2.8	33.1	40.9	25.9	18.3	44.9	20.6	16.0	15.3
Gross Profit	**59.0**	**52.3**	**71.6**	**102.2**	**116.5**	**135.4**	**172.8**	**227.1**	**267.2**	**310.9**
Margin (%)	28.0	24.2	24.9	25.2	22.8	22.4	19.7	21.5	21.8	22.0
Other expenditure	34.0	35.1	37.4	53.4	63.6	73.1	89.2	123.4	142.6	164.0
EBITDA	**24.9**	**17.2**	**34.2**	**48.8**	**52.9**	**62.4**	**83.6**	**103.7**	**124.6**	**146.9**
Change (%)	25.1	-30.8	98.5	42.5	8.5	17.9	34.0	24.2	20.1	17.8
Margin (%)	11.8	8.0	11.9	12.0	10.4	10.3	9.5	9.8	10.2	10.4
Depreciation	3.5	3.8	4.0	4.4	5.8	6.9	8.3	9.5	10.4	11.3
Int. and Fin. Charges	1.7	2.0	2.2	3.0	6.2	9.5	11.8	12.2	12.5	12.9
Other Income - Recurring	1.5	1.9	2.3	3.1	5.3	4.9	5.5	5.8	6.2	6.6
Deferred Revenue Expenditure	0	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**	**87.8**	**108.0**	**129.3**
Change (%)	8.8	-37.5	128.2	46.3	4.0	9.8	35.9	27.3	22.9	19.8
Margin (%)	10.1	6.2	10.6	11.0	9.0	8.4	7.9	8.3	8.8	9.2
Tax	5.8	3.6	7.9	11.5	11.0	13.0	17.6	22.3	27.4	32.8
Deferred Tax	-0.4	0.1	0.8	-0.2	-0.3	-0.2	0.1	0.0	0.0	0.0
Tax Rate (%)	28.9	26.5	23.2	26.4	24.4	25.9	25.4	25.4	25.4	25.4
Profit after Taxes	**15.2**	**9.8**	**23.3**	**32.7**	**35.0**	**37.6**	**51.5**	**65.6**	**80.6**	**96.5**
Change (%)	8.9	-35.4	138.4	40.2	6.8	7.6	36.9	27.3	22.9	19.8
Margin (%)	7.2	4.5	8.1	8.1	6.8	6.2	5.9	6.2	6.6	6.8
Extraordinary income	0	0	-1	0	0	-4	-1	0	0	0
Reported PAT	**14.9**	**9.7**	**22.0**	**32.7**	**35.0**	**33.4**	**50.7**	**65.6**	**80.6**	**96.5**

Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Share Capital	0.9	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	202.0	258.4	326.0
Net Worth	**66.7**	**75.0**	**93.0**	**118.5**	**93.9**	**116.2**	**157.0**	**202.9**	**259.3**	**326.9**
Minority Interest	0.0	0.1	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0
GML	15.8	42.1	54.0	53.0	53.4	78.1	160.7	104.4	122.6	149.2
Loans	7.2	1.7	5.2	22.0	78.4	102.9	113.8	108.3	103.3	98.3
Lease liabilities	12.4	12.6	13.6	18.7	23.5	26.8	31.7	32.0	34.8	37.7
Deferred Tax	-1.5	-1.0	-1.8	-1.6	-1.8	-1.7	-1.7	-1.7	-1.7	-1.7
Capital Employed	**100.7**	**130.4**	**164.3**	**211.2**	**247.4**	**322.3**	**461.5**	**445.8**	**518.3**	**610.4**
Gross Block	17.5	18.0	19.3	21.9	27.3	30.4	42.3	45.8	49.3	52.8
Less: Accum. Depn.	4.6	5.8	7.1	8.4	10.0	11.8	15.4	19.2	23.2	27.5
Net Fixed Assets	**12.9**	**12.2**	**12.2**	**13.4**	**17.4**	**18.5**	**26.8**	**26.6**	**26.1**	**25.3**
Intangibles	2.7	2.4	2.3	2.5	3.1	3.1	11.1	10.4	9.6	8.7
Capital WIP	0.1	0.2	0.7	1.3	0.9	0.9	1.4	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	19.7
Investments	1.6	28.2	2.9	25.2	23.5	19.9	35.1	35.1	35.1	35.1
Curr. Assets, L&A	**105.8**	**109.7**	**180.8**	**212.1**	**252.1**	**343.2**	**498.4**	**515.2**	**611.3**	**730.2**
Inventory	81.0	84.1	136.1	165.8	190.5	281.8	427.4	417.6	490.3	596.7
Account Receivables	3.1	3.7	5.7	6.7	10.2	10.7	9.2	21.7	25.2	29.0
Cash and Bank Balance	3.8	5.6	15.7	13.4	15.3	15.8	19.2	19.4	33.6	35.7
Others	17.9	16.3	23.4	26.1	36.2	34.9	42.7	56.5	62.3	68.7
Curr. Liab. and Prov.	**33.2**	**33.0**	**45.8**	**57.5**	**66.3**	**82.4**	**142.4**	**173.7**	**195.3**	**219.1**
Current Liabilities	24.4	23.3	30.5	41.6	48.4	58.3	106.7	135.1	150.5	167.5
Provisions	2.9	1.9	2.4	3.7	3.7	4.5	7.0	9.7	11.2	12.9
Net Current Assets	**72.6**	**76.6**	**135.0**	**154.6**	**185.9**	**260.8**	**356.0**	**341.5**	**416.1**	**511.1**
Application of Funds	**100.7**	**130.3**	**164.3**	**211.2**	**247.4**	**322.3**	**461.5**	**445.8**	**518.3**	**610.4**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)										
EPS	**17.1**	**11.0**	**26.2**	**36.8**	**39.3**	**42.3**	**57.9**	**73.7**	**90.6**	**108.5**
Cash EPS	18.8	12.9	28.2	38.8	41.9	45.3	62.0	77.8	95.1	113.3
BV/Share	74.9	84.2	104.5	133.2	105.5	130.6	176.4	228.0	291.4	367.3
DPS	6.1	4.0	7.5	10.0	11.0	12.4	11.2	22.1	27.2	32.5
Payout %	35.8	36.4	28.6	27.2	28.0	29.3	19.3	30.0	30.0	30.0
Valuation (x)										
P/E	293.6	454.3	191.0	136.2	127.6	118.5	86.6	68.0	55.3	46.2
Cash P/E	266.2	389.4	177.6	129.2	119.7	110.5	80.9	64.4	52.7	44.2
EV/Sales	21.2	20.5	15.4	10.9	8.8	7.5	5.2	4.3	3.7	3.2
EV/EBITDA	179.0	256.8	129.9	91.0	85.0	72.6	54.1	43.5	36.1	30.5
P/BV	66.9	59.5	47.9	37.6	47.5	38.4	28.4	22.0	17.2	13.6
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.4	0.5	0.6
Return Ratios (%)										
RoE	23.8	13.8	27.8	30.9	32.9	35.8	37.7	36.4	34.9	32.9
Operating RoE	0.0	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	16.5	18.6	18.8
RoIC	18.2	10.3	19.2	20.7	18.8	16.7	16.3	17.7	20.3	20.5
Working Capital Ratios										
Debtor (Days)	5	6	7	6	7	6	4	8	8	8
Asset Turnover (x)	2.1	1.7	1.8	1.9	2.1	1.9	1.9	2.4	2.4	2.3
Leverage Ratio										
Debt/Equity (x)	0.1	0.0	0.1	0.2	0.8	0.9	0.7	0.5	0.4	0.3

Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(loss) before Tax	21.0	13.3	29.0	44.5	46.2	45.4	68.0	87.8	108.0	129.3
Int./Div. Received	-0.4	-0.6	-1.3	-1.1	-1.7	-1.2	-0.8	-5.8	-6.2	-6.6
Deferred Revenue Exp.	0.0	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	11.3
Interest Paid	0.7	1.4	1.2	1.6	3.7	6.7	9.0	12.2	12.5	12.9
Direct Taxes Paid	5.6	2.7	8.0	11.5	11.7	10.9	17.4	22.3	27.4	32.8
Incr in WC	22.7	-26.2	32.2	24.1	25.4	52.3	11.2	41.5	42.2	66.3
CF from Operations	**-3.5**	**41.4**	**-7.2**	**13.7**	**17.0**	**-5.4**	**55.9**	**39.9**	**55.0**	**47.8**
Extraordinary Income	-0.2	0.0	-1.4	0.0	0.0	-4.3	-0.8	0.0	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	4.3
Free Cash Flow	**-6.9**	**40.0**	**-9.4**	**9.5**	**10.2**	**-10.1**	**47.1**	**35.6**	**50.7**	**43.5**
Investments	-3.2	27.3	-16.4	18.6	-3.1	3.4	8.2	0.0	0.0	0.0
Others	0.7	-1.4	-7.1	-2.2	-1.8	-14.1	14.0	-1.8	-2.2	-2.6
CF from Invest.	**-1.0**	**-27.3**	**21.4**	**-20.6**	**-1.8**	**6.1**	**-31.0**	**-2.5**	**-2.1**	**-1.7**
Issue of Shares	0.0	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	-5.0
Dividend Paid	5.4	3.6	3.6	6.7	8.9	9.8	9.8	19.7	24.2	29.0
Others	4.0	3.2	3.9	5.5	60.7	12.5	18.7	12.0	9.6	10.0
CF from Fin. Activity	**-2.4**	**-12.3**	**-4.0**	**4.6**	**-13.3**	**-0.1**	**-21.6**	**-37.1**	**-38.8**	**-44.0**
Incr/Decr of Cash	**-6.9**	**1.8**	**10.1**	**-2.3**	**1.8**	**0.6**	**3.3**	**0.3**	**14.1**	**2.1**
Add: Opening Balance	10.7	3.8	5.6	15.7	13.4	15.3	15.8	19.2	19.4	33.6
Closing Balance	**3.8**	**5.6**	**15.7**	**13.4**	**15.3**	**15.8**	**19.2**	**19.4**	**33.6**	**35.7**

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

.

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: No.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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: 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.