

# Titan

## Titan's FY30 ambitions – a bit of a stretch

On a high base, Titan's management continues to remain ambitious as it targets doubling consolidated revenue/EBIT over FY26-30 (20% CAGR). Note: Jewellery revenue too is pegged to double during the period with a marginal product mix-led EBITM haircut. Regionalization is expected to be a key theme in growth. Gold exchange, which expanded by 750bps to 50%+ share, is likely to continue increasing its salience in sourcing. Note: This is a more capital-intensive route of expansion than GML. Non-jewellery (watches/eyewear/emerging) categories are pegged to grow at ~22% CAGR over FY26-30 with c200bps EBITM expansion as scale benefits along with premiumization kick in. In watches, focus remains on maintaining dominance in the INR1-25k analog watches market while gaining share in the INR25k-1L price points. In eyecare, the playing ground will be restricted to the top 50 cities while the company invests (Brandex) in improving desirability. Management targets to hit INR35bn (UCP) by FY30 (INR 14.5bn in FY26). While Titan remains a bellwether, we remain conservative on the targets as (1) the complexion of expansion makes it difficult to achieve (only 40/60 stores additions/renovations of the targeted 850+ to 1,400 stores journey comes from the flagship brand Tanishq). We bake in ~15/14% revenue/ EBITDA CAGR for jewellery over FY26-28. Note: We have revised our FY27/28 EPS estimates by 5/4% respectively to account for better non-jewellery profitability and maintain REDUCE with a DCF-based TP of INR4,150/sh (implying 50x FY-28 P/E).

- The 2x ambition for core - Tanishq, Mia, Zoya (TMZ):** Management has set its ambition to double the core jewellery division (TMZ) by FY30. The division grew 24% over FY23-26 (buyer growth: 7%). Levers outlined for growth are (1) sprucing up the wedding portfolio and regional collection, (2) expanding the jewellery network from 854 to 1,400 stores, (3) aggressive push of the gold exchange program (GEP) to earn incremental up-selling opportunities. We suspect tough comps and the complexion of expansion planned may keep this target at bay. Note: Only 40/60 stores additions/renovations annually of the targeted 850+ to 1,400 stores journey comes from the flagship brand Tanishq (~90% of domestic jewellery sales), the rest of the expansion is slated to come from Mia largely (an INR20bn brand). Rising gold coins/bullion sales in product mix is likely to weigh on margins. Sourcing more gold via GEP is likely to push RoCEs down (although management intends to limit the fall, if any to 30% – currently 35%).
- Caratlane, Damas, International play:** Caratlane (INR47bn in sales, up 34% YoY in FY26; 372 stores) is set to increasingly become an omnichannel play to drive growth with its sights set to broaden the consumer net as it moves from performance marketing to increasing brand awareness (EBITDAM expanded 160bps to 9.9% in FY26). Management's ambition is to hit 23% CAGR for Caratlane over FY26-30. Damas – Titan's Middle East play exited CY25 at AED 740mn sales (core operations) and a network of 123 stores. KSA is likely to be a region of focus for growth (ambition: 2x sales by FY30). Titan's organic international play also continues to scale well (albeit on a small base).
- Watches division targeting the >25k analog share:** Watches revenue/EBIT is expected to grow 2.1x/2.2x by FY30. Focus will be on increasing share in the INR 25k+ analog category (growing at 27%) while maintaining dominance in the <INR 25K category (growing at 11%). In the smart watches segment, the company has chosen to focus on the INR 3K to 15K range while participating in <INR 3K. The division grew 14.5% YoY in FY26.

## REDUCE

CMP (as on 05 Jun 2026)	INR 4,260
Target Price	INR 4,150
NIFTY	23,367

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 4,030	INR 4,150
EPS%	FY27E +4.8	FY28E +3.8

### KEY STOCK DATA

Bloomberg code	TTAN IN
No. of Shares (mn)	888
MCap (INR bn) / (\$ mn)	3,782/39,794
6m avg traded value (INR mn)	4,617
52 Week high / low	INR 4,605/3,301

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.4)	11.7	21.6
Relative (%)	6.9	25.1	30.4

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	52.90	52.90
FIs & Local MFs	15.00	15.04
FPIs	15.55	15.65
Public & Others	16.55	16.41
Pledged Share	-	-

Source : BSE

Pledged shares as % of total shares

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- **Eyecare – In right-sizing phase:** For eyecare, the playing ground will be restricted to the top-50 cities while the company invests (Brandex) in improving desirability. Management aims to hit INR35bn (UCP) by FY30 (INR 14.5bn in FY26). In FY26, Titan closed ~100 underperforming stores. FY27 onwards, while the proportion of closures is likely to drop, the division intends to add 1.6x of current store network by FY30.
- **Valuation and outlook:** Titan remains the best-in-class. However, the ambitions of 2x revenue/EBIT seems a bit of a stretch as it deals with (1) tough comparables, (2) an environment that aids **smuggling** (higher customs duty-led), (3) growth being more capital-intensive (with rising GEP salience). We've revised our FY27/28 EPS estimates by 5/4% respectively to account for better non-jewellery profitability and maintain REDUCE with a DCF-based TP of INR4,150/sh (implying 50x FY-28 P/E).

### Financial summary

(INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	4,05,750	5,10,840	6,04,560	8,75,840	10,11,858	11,74,712
EBITDA	44,910	47,810	47,720	72,369	90,425	1,05,319
APAT	32,740	34,960	33,370	51,740	63,155	73,767
EPS (Rs)	36.9	39.4	37.6	58.3	71.1	83.1
P/E (x)	115.5	108.2	113.3	73.1	59.9	51.3
EV/EBITDA (x)	86.0	82.2	83.4	56.3	45.0	38.7
Core RoCE(%)	17.5	16.1	13.4	14.6	14.6	15.4

### Estimate changes

(INR mn)	FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)
Revenue	10,11,858	9,71,574	4.1	11,74,712	11,13,548	5.5
Gross Profit	2,03,673	1,95,564	4.1	2,42,327	2,29,710	5.5
Gross Profit Margin (%)	20.1	20.1	0 bps	20.6	20.6	(0 bps)
EBITDA	90,425	85,879	5.3	1,05,319	99,138	6.2
EBITDA margin (%)	8.9	8.8	10 bps	9.0	8.9	6 bps
APAT	63,155	60,276	4.8	73,767	71,052	3.8
APAT margin (%)	6.2	6.2	4 bps	6.3	6.4	(10 bps)
EPS	71.1	67.9	4.8	83.1	80.0	3.8

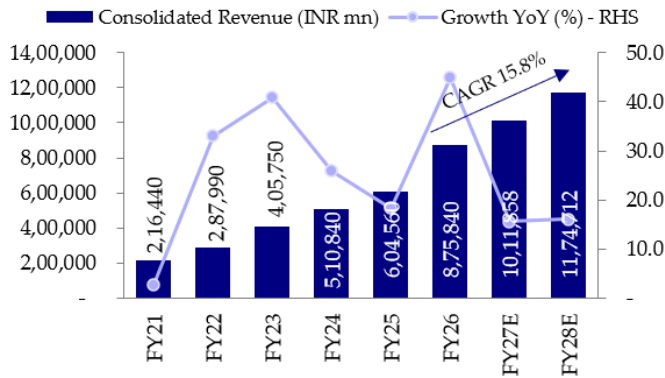
### Titan's FY30 ambition: targeting 2x revenue/EBIT from current position at consolidated level

Division	FY26 Revenue (INR mn)	FY30 Revenue Ambition	FY26 EBIT (INR mn)	FY30 EBIT Ambition
<b>Domestic Business</b>				
Jewellery	6,43,450	2x	71,460	1.9x
- Tanishq, Mia, Zoya	5,94,630	2x	66,810	1.8x
- Caratlane	47,020	2.3x	4,660	2.5x
Watches	51,050	2.1x	8,270	2.2x
EyeCare	8,980	2.2x	810	2.5x
Emerging Business	5,080	3.4x	-1,140	MSD
<b>International Business</b>				
Tanishq, Mia	27,340	2.5x	670	5.5
Damas	-	2x	-	HSD
<b>TEAL</b>	14,990	3x	2,870	2.1
<b>Titan Consolidated</b>	<b>7,60,780</b>	<b>2x</b>	<b>80,820</b>	<b>2x</b>

Source: Company, HSIE Research. Note: (1) All multipliers approximated to the closest numbers & are with respect to their FY26 / CY25 achievements, as applicable. (2) Damas ambition is stated for CY29 for its 'Core' Business; FY30 Ambition for Tanishq business operating under Damas franchise subsumed in Tanishq's Int'l Business ambitions. (3) MSD – Mid-Single Digits margin %; HSD – high-Single Digit Margin %

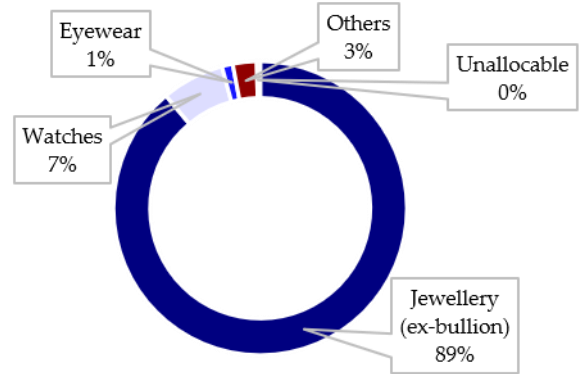
## Focus Charts

We expect Titan to clock 15.8% CAGR over FY26-28E



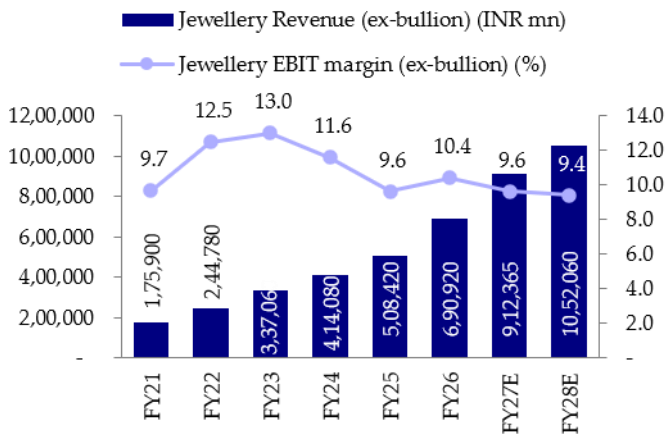
Source: Company, HSIE Research

Jewellery segment contributed to ~89% of Titan's revenue in FY26



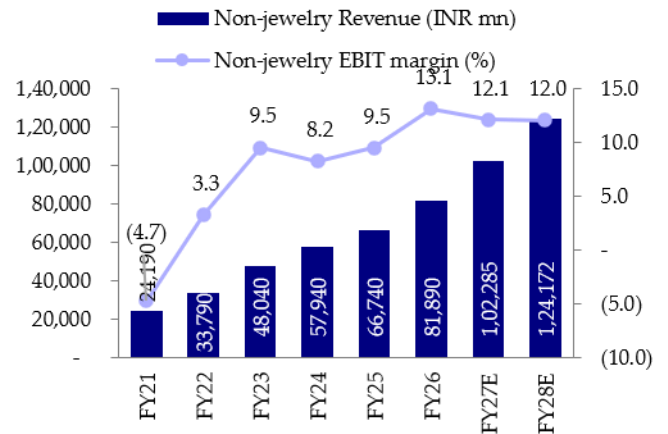
Source: Company, HSIE Research

Jewellery EBIT is expected to reach 9.4% by FY28E



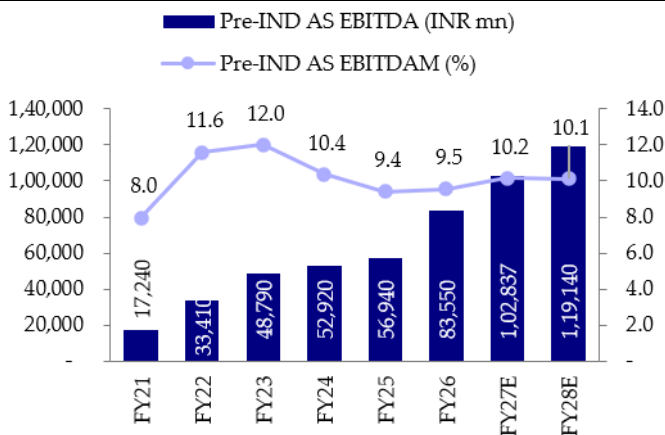
Source: Company, HSIE Research

... while Non-jewellery EBIT is expected to reach 12% by FY28



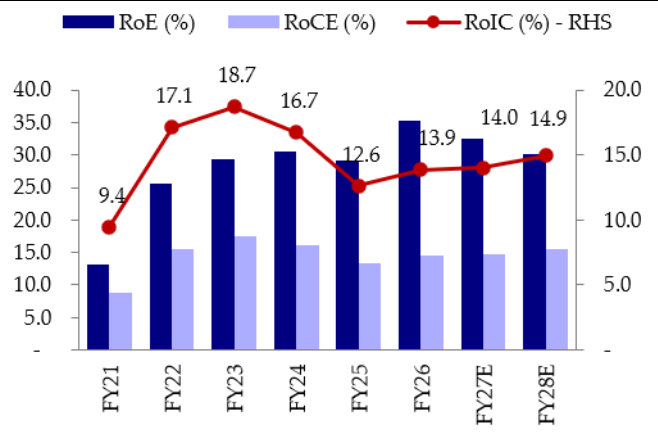
Source: Company, HSIE Research

We expect EBITDA margin to reach 10.1% in FY28



Source: Company, HSIE Research

Expect RoIC to hit 14.9% by FY28



Source: Company, HSIE Research

### Titan's segmental performance

Annual Segmental revenue and profitability (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26
<b>Net revenues</b>						
Jewellery	1,93,200	2,55,230	3,59,140	4,55,240	5,39,660	7,96,600
Watches	15,870	23,170	33,100	39,300	45,980	52,670
Eyewear	3,750	5,170	6,890	7,260	8,010	9,160
Others	4,570	5,450	8,050	11,380	12,750	20,060
Unallocable	910	1,310	1,650	2,990	3,020	2,870
<b>Total</b>	<b>2,18,300</b>	<b>2,90,330</b>	<b>4,08,830</b>	<b>5,16,170</b>	<b>6,09,420</b>	<b>8,81,360</b>
<b>YoY</b>						
Jewellery	11.6	32.1	40.7	26.8	18.5	47.6
Watches	(39.5)	46.0	42.9	18.7	17.0	14.5
Eyewear	(31.1)	37.9	33.3	5.4	10.3	14.4
Others	(28.0)	19.3	47.7	41.4	12.0	57.3
Unallocable	6.9	44.0	26.0	81.2	1.0	(5.0)
<b>Total</b>	<b>2.9</b>	<b>33.0</b>	<b>40.8</b>	<b>26.3</b>	<b>18.1</b>	<b>44.6</b>
<b>EBIT</b>						
Jewellery	17,010	30,550	43,870	48,120	48,990	72,090
Watches	(1,320)	740	4,080	3,930	5,480	8,240
Eyewear	230	510	980	800	800	770
Others	(50)	(140)	(480)	50	80	1,730
Unallocable	(570)	(440)	(980)	(480)	(470)	(2,010)
<b>Total</b>	<b>15,300</b>	<b>31,220</b>	<b>47,470</b>	<b>52,420</b>	<b>54,880</b>	<b>80,820</b>
<b>EBIT margin (%)</b>						
Jewellery	8.8	12.0	12.2	10.6	9.1	9.0
Watches	-8.3	3.2	12.3	10.0	11.9	15.6
Eyewear	6.1	9.9	14.2	11.0	10.0	8.4
Others	-1.1	-2.6	-6.0	0.4	0.6	8.6
Unallocable	5.6	10.3	-59.4	-16.1	-15.6	-70.0
<b>Total</b>	<b>7.0</b>	<b>10.8</b>	<b>11.6</b>	<b>10.2</b>	<b>9.0</b>	<b>9.2</b>

Source: Company, HSIE Research

### Key takeaways from investor meet

- Out of 50mn consumers across the brand footprint, only 15-16% buyer share is jewellery out of the total Titan buyers.
- Near-term challenges include supply chain disruptions, inflation, raw material (RM) challenges, and regulatory changes, but consumer sentiment is not yet dampened. 4-6year horizon opportunity heavily outweighs near-term challenges.

### Jewellery

- Jewellery grew 4x in seven years. Financial metrics (3-Year): Revenue CAGR at 24%, with core jewellery (excluding coins) at 21% CAGR, plain gold at 23% CAGR, studded at 18% CAGR, and buyer growth at a 7% CAGR.
- Plain gold coins experienced an outsized 58% CAGR, which changed the mix and led to an unpreventable gross margin compression of 3.4% over three years.
- Competition intensity has gone up significantly with organized players expanding rapidly and independent jewellers formalizing.

- High-growth regionalization drive strengthened cultural connect over the last five years, doubling market share in Tamil Nadu and West Bengal, 1.5x in AP and Telangana, and targeting 2x of FY26 by FY30 in Maharashtra.
- Zoya currently holds a low share but has scaled from a sub-INR1bn pre-COVID baseline toward a INR5bn revenue run rate. Mia is the fastest-growing brand, scaling from a sub-INR1bn crore pre-COVID footprint to a INR20bn brand in FY26.
- Launched BeYon brand stores (targeting two standalone stores now and moving to 100 stores soon) to drive diamond adoption.
- Gold Exchange program salience stood at ~50% in FY26 (+750 bps in FY26) and is projected to reach 60-65% in 2-3 years.
- Gold on lease was extended from 180 days to 270 days.
- Real estate strategy for Tanishq focuses heavily on quality expansion over quantity, sticking to ~40 store openings annually due to property constraints and floor plate restrictions; has visibility on over 110 potential stores. Management targets 60 store openings for Mia.
- Gold price increases are being countered through lightweight product innovations, conversion of 22kt to 18kt/14kt lines (which is 30% cheaper for the customer), and low-caratage variants, ensuring carats per gram continue to improve.
- Branded consumption is accelerating as buyers seek trust, service levels, and adequate inventory choices, heavily favoring players with strong, healthy balance sheets.
- Regulatory shifts: Customs duty hiked sharply from 6% to 15% (historically stayed for two years last time), causing an immediate brief demand impact followed by a rebound.
- Caratlane serves 2.8mn total consumers with an average buyer age of 25-35 years and a INR30k average ticket price; brand strategy focuses on beautiful jewellery at an affordable price combined with omnipresence.
- Damas's consumer base is split 44% local Arab, 42% Indians, and 14% other nationalities; 26% of Damas's sales are driven by European tourists. It operates a clear two-brand strategy: Arab and European consumers are addressed by Damas, while Indian/Asian expats are addressed by Tanishq.
- Damas's CY25 exit position: operates 123 stores (60 in the UAE where the population is projected to double in 5-10 years, and 36 in KSA where store footprint is currently low but growing); core operations generated AED 740mn.

## Watches

- Total domestic analog watch market size stands at INR260bn, and Titan holds 27% overall market share. Segment below the INR25k price point accounts for 50% of the entire macro market. Titan holds a dominant share in this segment and will defend and scale this core.
- For brands priced below INR5k, Titan focuses heavily on Sonata and Fastrack sold through multi-brand outlets (MBOs) and marketplaces, while consciously choosing not to focus on fragmented fast-fashion lines under INR1k.
- The INR5-10k landscape consists of mid-premium offerings and Raga, which has officially scaled into a standalone INR10bn brand.

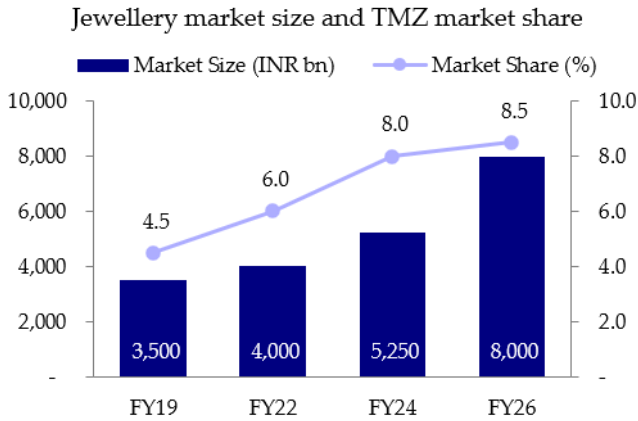
- Growth in the INR10-25k tier is driven by Automatic watches, which are doubling in volume every year; automatic mechanisms have now been extended down into Fastrack and Sonata lines.
- Multi-brand licensed international watches are being leveraged through the Helios retail chain (300 current stores across Helios and Helios Luxe) to flank Titan's internal portfolio and serve consumers seeking global premium brands.
- The INR25k-1L range shows healthy market share growth, balanced between fashion and traditional horology.
- The INR1-10L premium market currently reflects a low single-digit market share for Titan; the company is actively building technological capabilities to earn its right to play here.
- To handle capacity expansion, reduce lead times, and support premium manufacturing, Titan is actively adding a brand-new manufacturing facility in Hosur.
- The smartwatch segment below INR3K is crowded with smaller budget players; Titan is shifting focus to middle-segment (INR3-15k) that prioritizes functionality, fitness tracking, and data ecosystem monetization (proprietary apps, health, and wellness tracking).

## Eyecare

- Out of a 1.4bn Indian population, 50% suffer from uncorrected refractive errors, leaving an estimated 280mn active adopters for vision care. Total annual eyewear consumer shopping run rate stands at 100-120mn consumers across five generational cohorts (Silent, GenX, Millennials, GenZ, and Gen Alpha).
- The domestic optical market size stood at INR300bn in FY24 and is expected to reach INR500bn by 2030. Organized optical chains currently operate in 20% of the total market, but are outperforming the unorganized sector by expanding at a 20% CAGR.
- Titan Eyecare exited FY26 with a gross revenue of INR14.52bn and NSV of INR8.98bn, pulling most of its core business from the top 25 cities.
- Titan closed over 100 underperforming stores in FY26 due to incorrect sizes or sub-optimal location choices; the closure percentage will drop in FY27 and are planning to add 100 new stores in FY27.
- Management is primarily targeting top 50 cities, which house 40% of India's GDP and a large concentration of formal eyewear buyers.
- Remote eye testing cannot resolve complex issues like cataracts or progressive myopia; Titan is embarking on advanced trials across 25 specialized stores in three pilot cities using predictive myopia-control lenses to track and slow future power acceleration in children.
- Every retail store maps a strict standard of two dedicated optometrists (one Senior and one Junior).

## Key charts from investor presentation

TMZ market share increased to 8.5% in FY26 driven by its regionalization strategy



Source: Company, HSIE Research



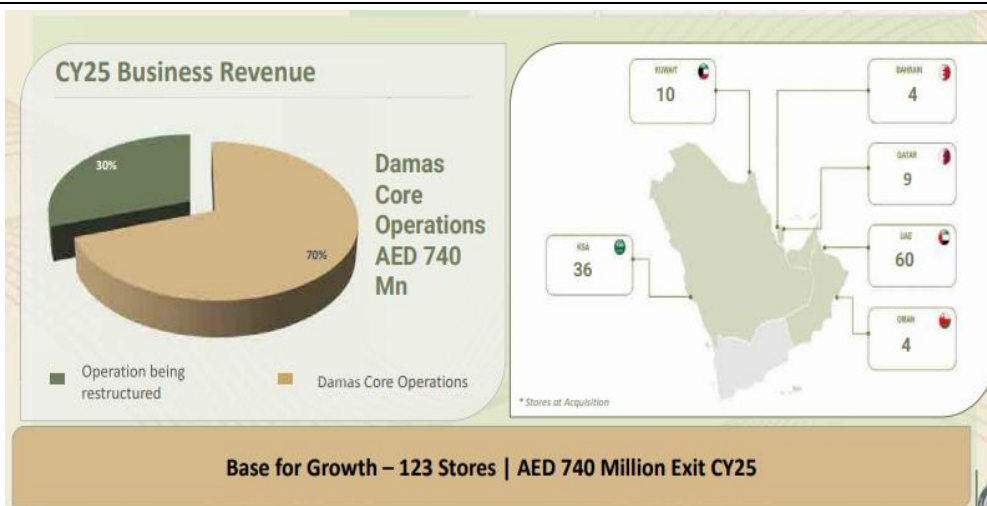
Source: Company, HSIE Research

Caratlane will continue to leverage its omnichannel playbook where digital discovery funnels buyers into physical stores for final checkout



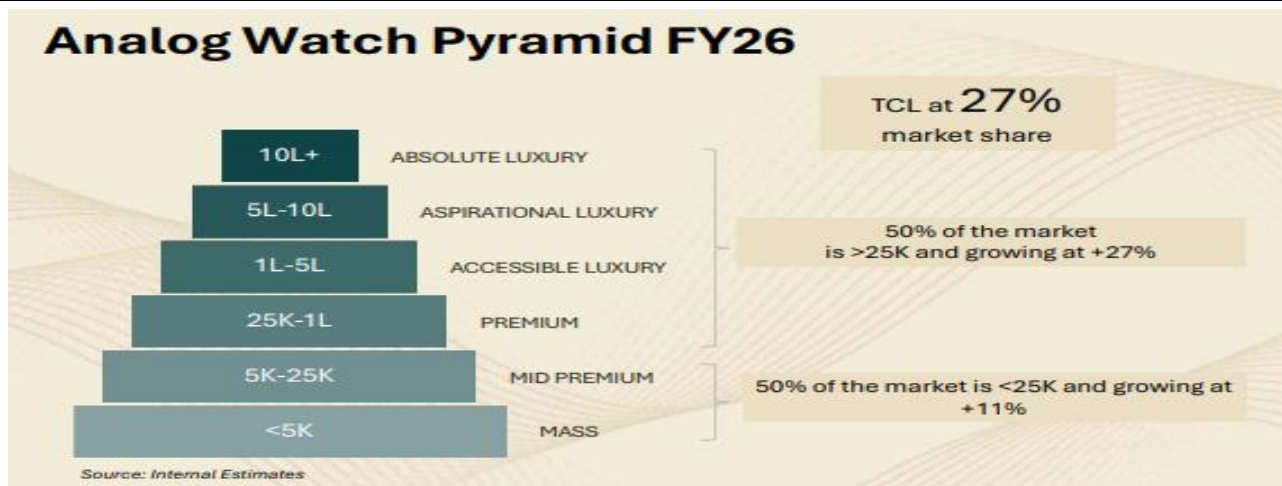
Source: Company, HSIE Research

Damas CY25 business snapshot



Source: Company, HSIE Research

Total domestic analog watch market size stands at INR260bn, and Titan holds 27% overall market share.



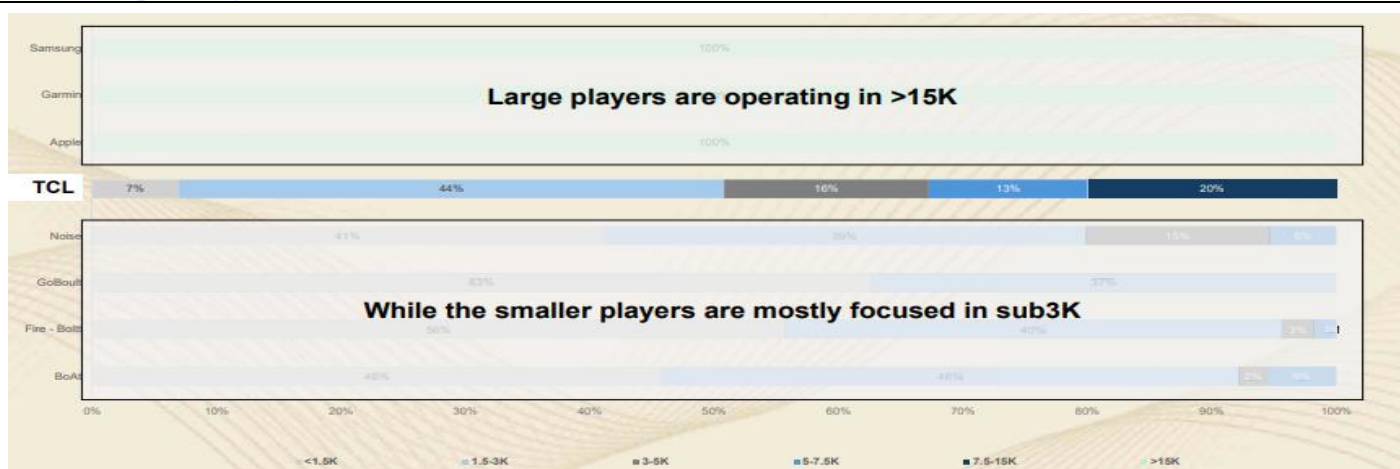
Source: Company, HSIE Research

**Titan's strategy for analog watch segment**

Price Range	Market Size	Titan's current market share	Titan's target market share	Titan's Strategy
1K-25K	~11k Crore	Dominant share	50%+	Defend and dominate
25K-1L	~4k Crore	Healthy share	Healthy double-digit	Scale and grow share
1L-10L	~6.5k Crore	Low single-digit		Earn the right to play

Source: Company, HSIE Research

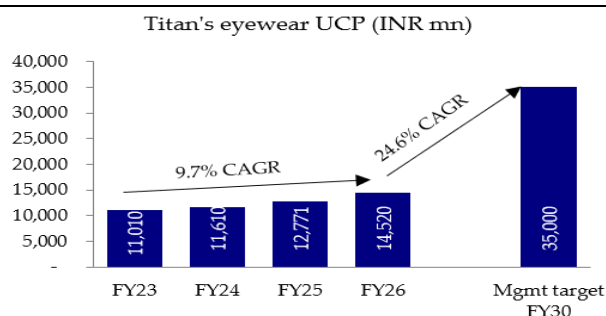
In smartwatches segment, Titan is focusing to dominate middle-segment (INR3-15k) while continuing to participate in <INR3k price segment



Source: Company, HSIE Research

Management expects eyewear UCP to reach INR35bn by FY30...

...and targets 1.6x of current store network by FY30 with focus on top 50 cities



Source: Company, HSIE Research



Source: Company, HSIE Research

## Financials

### Income statement:

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Net Revenues</b>	<b>2,10,515</b>	<b>2,16,440</b>	<b>2,87,990</b>	<b>4,05,750</b>	<b>5,10,840</b>	<b>6,04,560</b>	<b>8,75,840</b>	<b>10,11,858</b>	<b>11,74,712</b>
Growth (%)	6.4	2.8	33.1%	40.9%	25.9%	18.3%	44.9%	15.5%	16.1%
COGS	1,52,067	1,64,400	2,16,850	3,04,110	3,94,890	4,75,150	7,03,925	8,08,185	9,32,385
Employee Expense	11,994	10,650	13,490	16,470	18,640	21,560	26,810	30,468	34,784
A&P Expense	5,597	2,880	5,900	9,660	11,480	13,080	15,350	17,734	20,588
S&D Expense	6,754	5,870	8,930	13,530	16,170	16,880	23,579	26,734	31,037
Rent Expense	276	20	40	350	480	380	551	636	738
Other Expenses	9,162	15,380	9,370	12,840	16,260	20,570	22,076	25,264	36,039
<b>EBITDA</b>	<b>24,666</b>	<b>17,240</b>	<b>33,410</b>	<b>48,790</b>	<b>52,920</b>	<b>56,940</b>	<b>83,550</b>	<b>1,02,837</b>	<b>1,19,140</b>
EBITDA Growth (%)	15.5	(30.1)	93.8%	46.0%	8.5%	7.6%	46.7%	23.1%	15.9%
EBITDA Margin (%)	11.7	8.0	11.6%	12.0%	10.4%	9.4%	9.5%	10.2%	10.1%
<b>Pre IND-AS EBITDA</b>	<b>21,271</b>	<b>14,960</b>	<b>30,530</b>	<b>44,910</b>	<b>47,810</b>	<b>47,720</b>	<b>72,369</b>	<b>90,425</b>	<b>1,05,319</b>
Pre IND-AS EBITDA Growth (%)	(0.4)	(29.7)	104.1	47.1	6.5	(0.2)	51.7	25.0	16.5
Pre Ind-AS EBITDA Margin (%)	10.1	6.9	10.6	11.1	9.4	7.9	8.3	8.9	9.0
Depreciation	3,480	3,750	3,990	4,410	5,840	6,930	8,260	9,597	10,932
<b>EBIT</b>	<b>21,186</b>	<b>13,490</b>	<b>29,420</b>	<b>44,380</b>	<b>47,080</b>	<b>50,010</b>	<b>75,290</b>	<b>93,240</b>	<b>1,08,209</b>
Pre IND-AS EBIT	19,552	12,850	28,400	42,940	45,090	44,390	67,965	84,877	98,719
Other Income (Including EO Items)	1,532	1,860	1,800	3,080	5,330	4,860	4,510	5,661	4,448
Interest	1,662	2,030	2,180	3,000	6,190	9,530	11,800	14,517	14,090
Interest - Pre IND-AS	600	890	1,020	1,660	4,260	7,310	9,269	11,716	11,062
<b>PBT</b>	<b>21,057</b>	<b>13,320</b>	<b>29,040</b>	<b>44,460</b>	<b>46,220</b>	<b>45,340</b>	<b>68,000</b>	<b>84,384</b>	<b>98,566</b>
Total Tax	6,090	3,530	7,060	11,730	11,270	11,980	17,280	21,240	24,809
<b>RPAT before associate earnings</b>	<b>14,967</b>	<b>9,790</b>	<b>21,980</b>	<b>32,730</b>	<b>34,950</b>	<b>33,360</b>	<b>50,720</b>	<b>63,145</b>	<b>73,757</b>
Share of Associate earnings	(40)	(50)	-	10	10	10	10	10	10
<b>RPAT</b>	<b>14,927</b>	<b>9,740</b>	<b>21,980</b>	<b>32,740</b>	<b>34,960</b>	<b>33,370</b>	<b>50,730</b>	<b>63,155</b>	<b>73,767</b>
Exceptional Gain/(loss)	-	-	(540)	-	-	-	(1,010)	-	-
<b>Adjusted PAT</b>	<b>14,927</b>	<b>9,740</b>	<b>22,520</b>	<b>32,740</b>	<b>34,960</b>	<b>33,370</b>	<b>51,740</b>	<b>63,155</b>	<b>73,767</b>
APAT Growth (%)	(2.7)	(34.7)	131.2%	45.4%	6.8%	-4.5%	55.0%	22.1%	16.8%
Adjusted EPS (Rs)	16.8	11.0	25.4	36.9	39.4	37.6	58.3	71.1	83.1
EPS Growth (%)	(2.7)	(34.7)	131.2	45.4	6.8	(4.5)	55.0	22.1	16.8

### Balance sheet

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>SOURCES OF FUNDS</b>									
Share Capital - Equity	888	890	890	890	890	890	890	890	890
Reserves	65,800	74,080	92,140	1,17,620	93,040	1,15,350	1,56,140	2,02,894	2,53,746
<b>Total Shareholders' Funds</b>	<b>66,688</b>	<b>74,970</b>	<b>93,030</b>	<b>1,18,510</b>	<b>93,930</b>	<b>1,16,240</b>	<b>1,57,030</b>	<b>2,03,784</b>	<b>2,54,636</b>
Minority Interest	44	50	300	530	-	-	-	-	-
Long Term Debt	170	90	20	-	33,020	5,950	930	930	930
Short Term Debt	37,854	54,410	74,880	97,850	1,22,750	1,95,590	2,99,123	2,76,450	2,84,834
<b>Total Debt</b>	<b>50,454</b>	<b>67,060</b>	<b>88,490</b>	<b>1,16,580</b>	<b>1,79,260</b>	<b>2,28,350</b>	<b>3,31,783</b>	<b>3,16,546</b>	<b>3,30,534</b>
Net Deferred Taxes	(1,528)	(970)	(1,810)	(1,550)	(1,840)	(1,680)	(1,730)	(1,730)	(1,730)
Other Non-current Liabilities & Provns	45	40	50	50	170	160	18,850	9,850	9,850
<b>TOTAL SOURCES OF FUNDS</b>	<b>1,15,702</b>	<b>1,41,150</b>	<b>1,80,060</b>	<b>2,34,120</b>	<b>2,71,520</b>	<b>3,43,070</b>	<b>5,05,933</b>	<b>5,28,450</b>	<b>5,93,290</b>
<b>APPLICATION OF FUNDS</b>									
Net Block	15,583	14,720	14,630	16,000	20,510	21,760	38,170	43,004	49,524
CWIP	115	190	690	1,330	880	930	1,350	1,350	1,350
Goodwill on Consolidation	1,230	1,230	1,230	1,230	1,230	1,230	7,580	7,580	7,580
Other Non-current Assets	13,798	13,590	15,770	21,970	27,420	29,380	35,740	39,706	43,414
<b>Total Non-current Assets</b>	<b>30,726</b>	<b>29,730</b>	<b>32,320</b>	<b>40,530</b>	<b>50,040</b>	<b>53,300</b>	<b>82,840</b>	<b>91,640</b>	<b>1,01,868</b>
Investments	444	190	2,790	3,510	6,790	6,510	12,570	12,570	12,570
Inventories	81,030	84,080	1,36,090	1,65,840	1,90,510	2,81,840	4,27,430	4,43,554	4,98,850
Debtors	3,116	3,660	5,650	6,740	10,180	10,680	9,160	10,583	12,286
Other Current Assets	13,646	12,160	17,340	16,960	24,190	23,230	30,220	30,939	35,918
<b>Cash &amp; Equivalents</b>	<b>4,947</b>	<b>33,650</b>	<b>15,880</b>	<b>35,070</b>	<b>31,920</b>	<b>29,210</b>	<b>41,660</b>	<b>33,821</b>	<b>40,309</b>
<b>Total Current Assets</b>	<b>1,02,738</b>	<b>1,33,550</b>	<b>1,74,960</b>	<b>2,24,610</b>	<b>2,56,800</b>	<b>3,44,960</b>	<b>5,08,470</b>	<b>5,18,896</b>	<b>5,87,363</b>
Creditors	5,967	7,890	12,940	12,140	14,100	19,630	28,640	33,088	38,413
Other Current Liabilities & Provns	12,239	14,430	17,070	22,390	28,010	42,070	69,307	62,997	71,527
<b>Total Current Liabilities</b>	<b>18,206</b>	<b>22,320</b>	<b>30,010</b>	<b>34,530</b>	<b>42,110</b>	<b>61,700</b>	<b>97,947</b>	<b>96,085</b>	<b>1,09,940</b>
<b>Net Current Assets</b>	<b>84,532</b>	<b>1,11,230</b>	<b>1,44,950</b>	<b>1,90,080</b>	<b>2,14,690</b>	<b>2,83,260</b>	<b>4,10,523</b>	<b>4,22,811</b>	<b>4,77,423</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>1,15,702</b>	<b>1,41,150</b>	<b>1,80,060</b>	<b>2,34,120</b>	<b>2,71,520</b>	<b>3,43,070</b>	<b>5,05,933</b>	<b>5,28,450</b>	<b>5,93,290</b>

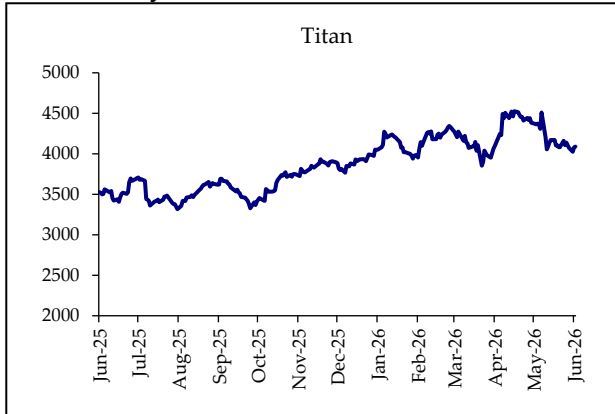
### Cash flow statement

Year ending March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Reported PBT	21,017	13,270	29,040	44,470	46,230	45,350	68,010	84,384	98,566
Non-operating & EO Items	(1,340)	(1,160)	(2,230)	190	(4,220)	(4,070)	(3,600)	(5,651)	(4,438)
Interest Expenses	1,662	2,030	2,180	300	6,190	9,530	11,800	14,517	14,090
Depreciation	3,480	3,750	3,990	4,410	5,840	6,930	8,260	9,597	10,932
Working Capital Change	(22,715)	26,210	(32,200)	(24,130)	(25,360)	(52,260)	(11,200)	(20,128)	(48,123)
Tax Paid	(5,577)	(2,710)	(8,020)	(11,540)	(11,730)	(10,890)	(17,370)	(21,240)	(24,809)
<b>OPERATING CASH FLOW ( a )</b>	<b>(3,474)</b>	<b>41,390</b>	<b>(7,240)</b>	<b>13,700</b>	<b>16,950</b>	<b>(5,410)</b>	<b>55,900</b>	<b>61,480</b>	<b>46,218</b>
Capex	(3,843)	(1,390)	(2,160)	(4,200)	(6,710)	(4,700)	(20,480)	(10,382)	(13,119)
Free Cash Flow (FCF)	(7,317)	40,000	(9,400)	9,500	10,240	(10,110)	35,420	51,097	33,099
Investments	5,183	(27,360)	12,980	(15,670)	1,690	5,960	(13,230)	-	-
Non-operating Income	728	460	560	1,460	2,490	2,880	2,270	5,661	4,448
<b>INVESTING CASH FLOW ( b )</b>	<b>2,068</b>	<b>(28,290)</b>	<b>11,380</b>	<b>(18,410)</b>	<b>(2,530)</b>	<b>4,140</b>	<b>(31,440)</b>	<b>(4,721)</b>	<b>(8,672)</b>
Debt Issuance/(Repaid)	6,934	(5,620)	3,420	16,770	56,290	22,210	6,820	(22,673)	8,384
Interest Expenses	(1,662)	(2,030)	(2,180)	(3,000)	(6,190)	(5,380)	(10,000)	(14,517)	(14,090)
FCFE	(2,045)	32,350	(8,160)	23,270	60,340	6,720	32,240	13,908	27,392
Share Capital Issuance	-	-	-	-	-	-	-	-	-
Dividend	(5,356)	(3,550)	(3,550)	(6,660)	(8,880)	(9,760)	(9,760)	(13,317)	(19,531)
Others	-	-	-	-	(51,330)	(140)	-	(9,000)	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(83)</b>	<b>(11,200)</b>	<b>(2,310)</b>	<b>7,110</b>	<b>(10,110)</b>	<b>6,930</b>	<b>(12,940)</b>	<b>(59,506)</b>	<b>(25,238)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(1,490)</b>	<b>1,900</b>	<b>1,830</b>	<b>2,400</b>	<b>4,310</b>	<b>5,660</b>	<b>11,520</b>	<b>(2,748)</b>	<b>12,309</b>
EO Items, Others	3,057	3,810	13,550	11,080	11,170	11,770	10,130	10,440	10,440
Closing Cash & Equivalents	3,811	5,600	15,730	13,430	15,260	15,840	19,170	11,331	17,819

## Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>PROFITABILITY (%)</b>									
GPM	27.8	24.0	24.7	25.0	22.7	21.4	19.6	20.1	20.6
EBITDA Margin	11.7	8.0	11.6	12.0	10.4	9.4	9.5	10.2	10.1
EBIT Margin	10.1	6.2	10.2	10.9	9.2	8.3	8.6	9.2	9.2
APAT Margin	7.1	4.5	7.8	8.1	6.8	5.5	5.9	6.2	6.3
RoE	23.4	13.8	26.8	31.0	32.9	31.8	37.9	35.0	32.2
RoIC (or Core RoCE)	15.3	9.1	16.5	18.0	16.2	13.3	14.5	14.6	15.5
RoCE	15.2	8.7	15.1	16.9	15.7	13.1	14.3	14.3	15.0
RoE*	22.4	13.1	25.6	29.3	30.6	29.2	35.3	32.6	30.2
RoIC*	15.7	9.4	17.1	18.7	16.7	12.6	13.9	14.0	14.9
RoCE*	15.8	8.7	15.4	17.5	16.1	13.4	14.6	14.6	15.4
				(1.2)					
<b>EFFICIENCY</b>									
				3.5					
Tax Rate (%)	28.9	26.5	23.9	26.4	24.4	26.4	25.0	25.2	25.2
Fixed Asset Turnover (x)	12.1	12.1	14.9	18.6	18.7	19.9	20.3	18.9	17.6
Inventory (days)	140	142	172	149	136	170	178	160	155
Debtors (days)	5	6	7	6	7	6	4	4	4
Other Current Assets (days)	24	21	22	15	17	14	13	11	11
Payables (days)	10	13	16	11	10	12	12	12	12
Other Current Liab & Provns (days)	21	24	22	20	20	25	29	23	22
Cash Conversion Cycle (days)	138	131	164	139	131	153	154	140	136
Net Debt/Equity (x)	0.7	0.4	0.8	0.7	1.6	1.7	1.8	1.4	1.1
Interest Coverage (x)	12.7	6.6	13.5	14.8	7.6	5.2	6.4	6.4	7.7
<b>PER SHARE DATA (Rs)</b>									
EPS	16.8	11.0	25.4	36.9	39.4	37.6	58.3	71.1	83.1
CEPS	20.7	15.2	29.9	41.8	46.0	45.4	67.6	81.9	95.4
Dividend	4.0	4.0	7.5	10.0	11.0	11.0	15.0	22.0	25.0
Book Value	75.1	84.4	104.8	133.5	105.8	130.9	176.9	229.5	286.8
<b>VALUATION</b>									
							43.71	17.78	61.49
P/E (x)	253.4	388.3	168.0	115.5	108.2	113.3	73.1	59.9	51.3
P/BV (x)	56.7	50.5	40.7	31.9	40.3	32.5	24.1	18.6	14.9
EV/EBITDA (x)	179.96	255.07	126.27	86.04	82.20	83.44	56.27	44.96	38.67
EV/Revenues (x)	18.2	17.6	13.4	9.5	7.7	6.6	4.6	4.0	3.5
OCF/EV (%)	(0.1)	1.1	(0.2)	0.4	0.4	(0.1)	1.4	1.5	1.1
FCF/EV (%)	(0.2)	1.0	(0.2)	0.2	0.3	(0.3)	0.9	1.3	0.8
FCFE/Mkt Cap (%)	(0.1)	0.9	(0.2)	0.6	1.6	0.2	0.9	0.4	0.7
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.6

### Price History



### Rating Criteria

- BUY: >+15% return potential  
ADD: +5% to +15% return potential  
REDUCE: -10% to +5% return potential  
SELL: >10% Downside return potential

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