

Kalyan Jewellers

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KALYANKJ IN
Equity Shares (m)	1031
M.Cap.(INRb)/(USD)	691.4 / 8.2
52-Week Range (INR)	786 / 304
1, 6, 12 Rel. Per (%)	-1/61/78
12M Avg Val (INR M)	2360

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	251.1	320.6	394.3
EBITDA	16.7	20.5	24.7
Margins (%)	6.7	6.4	6.3
Adj. PAT	8.3	11.1	13.9
Adj. EPS (INR)	8.1	10.8	13.5
EPS Growth (%)	38.9	34.2	25.2
BV/Sh.(INR)	45.4	53.0	62.3

Ratios

RoE (%)	18.7	22.0	23.5
RoCE (%)	13.1	14.2	15.5

Valuations

P/E (x)	83.2	62.0	49.5
P/BV (x)	14.8	12.6	10.8
EV/Sales (x)	2.8	2.2	1.7
EV/EBITDA(x)	41.6	33.7	27.9

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	62.9	60.6	60.6
DII	13.7	20.9	22.5
FII	15.8	12.0	9.0
Others	7.6	6.5	8.0

FII includes depository receipts

CMP: INR670

TP: INR800 (+19%)

Buy

Miss on profits, but fast track continues

- Kalyan Jewellers (KALYANKJ)'s consolidated revenue grew 37% YoY to INR60.7b (in line). The Indian business delivered 39% YoY revenue growth, driven by store additions (added 14 Kalyan India and 12 Candere) and a 23% SSSG (25% in south, 21% in non-south). Festive demand was strong; the company achieved >20% SSSG for a 30-day period leading up to Diwali compared to last year (comparable period).
- The company's focus on new customer acquisition (36% share of new customers in 2QFY25) supported growth. Revenue growth in studded (+45%) outpaced gold revenue growth (+38%), leading to an increase in studded share to 30% (28% in 2QFY24). This contrasts with Titan, where the demand pressure was on large solitaires, leading to a decline in the studded share.
- Gross margin for the Indian business contracted 70bp YoY to 13.5% after adjusting for the inventory loss of INR690m. The margin contraction is expected due to the rising mix from franchised stores. Ad spending jumped 89% YoY, as the company stepped up its efforts to boost festive demand. EBITDA margin contracted 80bp YoY to 6.4% (due to the higher franchise mix). There is a big miss on APAT level, which stood INR1.8b vs. our estimate of INR2.1b.
- The Middle East delivered 27% revenue growth with an SSSG of 9%. Studded share also improved to 19% (18% in 2QFY24, 16% in 1QFY25). The company converted its three COCO stores into FOCO stores, and the total count stood at 36 as of Sep'24.
- With the successful scaling up of its new franchise businesses, which contributed one-third of its revenue, and sustained success in non-southern markets, the company has established itself as a leading brand in the industry. We model 29%/23%/33% revenue/EBITDA/PAT CAGR during FY24-27E. With industry-leading growth, we expect the expensive valuation to sustain. **We reiterate our BUY rating with a TP of INR800 (based on 60x Sep'26 P/E).**

Operationally in line; rapid store expansion

India business

- **Healthy revenue growth with double-digit SSSG:** India revenue grew 39% YoY to INR52.3b. The same-store sales increased 23% YoY in 2QFY25. SSSG of the South region was 25% and non-South regions stood at 21%. Non-south markets displayed promising growth, with revenue contribution increasing to 49% from 46% YoY. New customer additions continue to stay healthy; the share of new customers was over 36%.
- **Studded ratio further improved:** Studded share improved to 30% in 2QFY25 vs. 28% in 2QFY24. This growth was particularly when industry demand was sluggish and studded growth was slower than gold jewelry growth (as per Titan).

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

Research Analyst: Pratik Prajapati (pratik.prajapati@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.

- **Contraction in margins:** Gross margin contracted 70bp YoY to 13.5% after adjusting for the inventory loss of INR690m. Ad spending jumped 89% YoY to INR1.0b on a weak base. As a % of sales, employee costs contracted 60bp YoY to INR1.5b, while ad spending expanded 50bp YoY to 1.9% and other expenses rose 20bp YoY to 2.4%. EBITDA margin contracted 80bp YoY to 6.4%. Operating margin is expected to contract as the company has moved from the company-owned to franchise-led store expansion.
- **Operating performance:** After adjusting for the inventory loss, EBITDA grew 24% YoY to INR3.3b. PBT grew 40% YoY to INR2.4b and APAT grew 37% YoY to 1.7b. Reported profit declined 4% YoY to INR1.2b. There is a big miss on APAT level, which stood INR1.8b vs. our estimate of INR2.1b.
- **Rapid store expansion:** The company added 14 Kalyan stores in India, reaching a total of 231 stores. Candere added 12 stores, reaching a total of 36 stores. Total stores in India stood at 267. 'My Kalyan' Grassroots Stores reached 1,022 in 2QFY25, contributing ~13% to revenue from operations in India and over 33% to enrolment in advance purchase schemes in India.

The Middle East performance

- Sales grew 27% YoY to INR8.0b. SSSG was 9%.
- Three more COCO showrooms in the region were converted into FOCO during the quarter. The total store count was 36.
- Studded share improved to 19% vs. 18% YoY and 16% QoQ.
- Gross margin contracted marginally by 30bp YoY to 14.5% due to the higher share of revenue from FOCO stores.
- EBITDA grew 26% YoY to INR6.1b.
- APAT grew 16% YoY to INR1.4b.

Consolidated performance

- KALYANKJ's consolidated revenue grew 37% YoY to INR60.7b (est. INR59.2).
- Gross margin contracted 50bp YoY to 13.8% (est. 14%) after adjusting the inventory loss of INR690m.
- EBITDA margin contracted 60bp YoY to 7.2%. (est. 7.1%).
- Ad spends increased 90% YoY to INR1.2b on a weak base.
- As a % of sales, employee costs contracted 60bp YoY to INR1.7b, while ad spending expanded 60bp YoY to 2% and other expenses rose 10bp YoY to 2.4%.
- After adjusting for the inventory loss, EBITDA grew 26% YoY to INR4.0b. PBT grew 39% YoY to INR2.5b and APAT grew 35% YoY to INR1.8b.
- Reported profit declined 4% YoY to INR1.3b.
- In 1HFY25, net sales, EBITDA, and APAT grew 32%, 21%, and 29%, respectively.

Key takeaways from the management commentary

- Demand was healthy during 2Q and remains strong in the current quarter as well. The company has observed SSSG exceeding 20% for the 30-day period leading up to Diwali compared to the base year.
- The debt reduction plan is progressing well this financial year, with nearly half of the total targeted reduction already achieved. In India, the non-GML working capital loan has been reduced by INR ~1,430m. It has a target to reduce it by INR3,000m.

- Following the reduction in customs duties, there was an overall inventory loss of INR1,200m (INR690m in 2Q), and an additional loss of INR500m is anticipated in 3QFY25.
- The company is on track to meet its FY25 targets of 80 Kalyan and 50 Candere showrooms. Store openings in FY26 are expected to be higher than the current year, with additional stores planned for the South Indian, Middle Eastern, and international markets.

Valuation and view

- We cut our EPS estimates by 4% for FY25 and 5% for FY26.
- The company is further leveraging its brand by extensively expanding across Indian markets, having opened 80 new stores in FY25 through the franchise route. The asset-light expansion will generate the necessary cash flows to repay its debt in India (~INR6.0b) over the next two years. The studded ratio of 28% in FY24 was the best in class and reflected the company's understanding of evolving consumer trends, such as youth-led and non-traditional preferences. The Middle Eastern business (INR26b; 36 stores) was steady in FY24.
- KALYANKJ aims to reduce its overall debt levels by ~INR7.0b by FY26, which is progressing well. We model 29%/23%/33% revenue/EBITDA/PAT CAGR during FY24-27E.
- **With industry-leading growth, we expect rich valuation to sustain. We reiterate a BUY rating with a TP of INR800 (based on 60x Sep'26 P/E).**

Consolidated Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Stores	192	206	228	253	277	303	339	378	253	378	307	
Net Sales	43,757	44,145	52,231	45,349	55,355	60,655	72,416	62,673	1,85,483	2,51,099	59,164	2.5%
Change (%)	31.3	27.1	34.5	34.1	26.5	37.4	38.6	38.2	31.8	35.4	34.0	
Raw Material/PM	37,153	37,840	44,616	38,737	47,419	52,313	62,087	53,725	1,58,346	2,15,544	50,869	
Gross Profit	6,604	6,306	7,615	6,612	7,935	8,342	10,330	8,948	27,137	35,555	8,295	0.6%
Gross Margin (%)	15.1	14.3	14.6	14.6	14.3	13.8	14.3	14.3	14.6	14.2	14.0	
Operating Expenses	3,375	3,169	3,916	3,550	4,175	4,379	5,506	4,774	14,010	18,835	4,194	
% of Sales	7.7	7.2	7.5	7.8	7.5	7.2	7.6	7.6	7.6	7.5	7.1	
EBITDA	3,229	3,137	3,698	3,062	3,760	3,962	4,824	4,174	13,127	16,720	4,101	-3.4%
Margin (%)	7.4	7.1	7.1	6.8	6.8	6.5	6.7	6.7	7.1	6.7	6.9	
Change (%)	22.2	17.9	13.1	19.3	16.4	26.3	30.4	36.3	17.8	27.4	30.8	
Interest	821	817	817	778	852	903	896	857	3,232	3,508	850	
Depreciation	641	669	697	736	755	850	865	891	2,743	3,360	735	
Other Income	116	131	201	288	222	260	327	376	737	1,185	302	
PBT	1,885	1,781	2,386	1,837	2,375	2,469	3,390	2,803	7,888	11,037	2,818	-12.4%
Tax	449	433	582	462	599	649	814	676	1,925	2,737	688	
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	25.2	26.3	24.0	24.1	24.4	24.8	24.4	
Adjusted PAT	1,439	1,352	1,806	1,376	1,776	1,821	2,576	2,127	5,973	8,300	2,130	-14.5%
Change (%)	33.3	27.1	21.5	96.3	23.4	34.6	42.6	54.6	28.1	38.9	57.5	
Reported PAT	1,439	1,352	1,806	1,376	1,776	1,303	2,576	2,127	5,973	7,100		

India Quarterly Performance (Standalone)

(INR m)

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
Stores	161	175	201	217	241	267
SSSG (%)	15	10	11	17	12	23
Studded ratio (%)	29.0	28.5	27.2	29.1	30.4	29.7
Net Sales	36,409	37,543	45,117	38,756	46,875	52,268
Change (%)	33.9	32.2	40.2	38.1	28.7	39.2
Raw Material/PM	30,921	32,220	38,595	33,179	40,226	45,205
Gross Profit	5,488	5,323	6,522	5,577	6,648	7,062
Gross Margin (%)	15.1	14.2	14.5	14.4	14.2	13.5
Operating Expenses	2,797	2,651	3,360	2,946	3,499	3,741
% of Sales	7.7	7.1	7.4	7.6	7.5	7.2
EBITDA	2,690	2,672	3,162	2,631	3,150	3,322
Margin (%)	7.4	7.1	7.0	6.8	6.7	6.4
Change (%)	23.4	20.2	14.8	21.0	17.1	24.3
Interest	612	627	599	579	601	626
Depreciation	480	507	530	547	560	612
Other Income	138	143	226	258	250	277
PBT	1,737	1,681	2,259	1,763	2,239	2,361
Tax	448	426	576	450	588	641
Effective Tax Rate (%)	25.8	25.4	25.5	25.5	26.3	27.1
Adjusted PAT	1,289	1,255	1,682	1,313	1,651	1,720
Change (%)	35.1	31.9	26.4	32.1	28.1	37.1
Reported PAT	1,289	1,255	1,682	1,313	1,651	1,203

Middle East Quarterly Performance

(INR m)

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
Stores	33	34	34	36	36	36
Net Sales	7,003	6,290	6,826	6,245	8,105	8,004
Change (%)	22.1	4.7	6.5	13.8	15.7	27.2
Raw Material/PM	5,954	5,365	5,799	5,286	6,900	6,847
Gross Profit	1,049	925	1,027	959	1,205	1,157
Gross Margin (%)	15.0	14.7	15.0	15.0	14.9	14.5
Operating Expenses	495	444	498	501	569	551
% of Sales	7.1	7.1	7.3	8.0	7.0	6.9
EBITDA	554	481	530	458	636	606
Margin (%)	7.9	7.6	7.8	7.3	7.8	7.6
Change (%)	17.9	3.0	0.9	9.6	14.8	26.0
Interest	235	216	242	239	264	276
Depreciation	152	153	157	167	168	173
Other Income	11	21	17	60	2	5
PBT	178	133	148	112	206	162
Tax	9	14	10	13	19	24
Effective Tax Rate (%)	5.1	10.5	6.4	11.6	9.2	14.8
Adjusted PAT	169	119	138	99	187	138
Change (%)	24.3	-13.8	-18.8	76.8	10.7	16.0

Exhibit 1: Store network

Store data	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Kalyan India	159	172	194	204	217	231
-COCO	159	130	135	128	128	126
-FOCO	0	42	59	76	89	105
Candere	2	3	7	13	24	36
-COCO	2	2	5	5	8	12
-FOCO	0	1	2	8	16	24
Total stores in India	161	175	201	217	241	267
Middle East	33	34	34	36	36	36
-COCO	33	33	33	35	35	32
-FOCO	0	1	1	1	1	4
Total stores	194	209	235	253	277	303

Exhibit 2: South and non-south SSSG and revenue contribution in India

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
South revenue share (%)	56	54	46	51	51	51
Non-south revenue share (%)	44	46	54	49	49	49
SSSG (%)	15	10	11	17	12	23
South SSSG (%)			10	18	13	25
Non-south SSSG (%)			13	16	11	21

**Key takeaways from the management commentary****Demand environment and outlook**

- Demand was healthy during the quarter and remains strong in the current quarter as well.
- Prior to the recent fall in gold prices, demand was strong in the market.
- The company has observed SSSG exceeding 20% for the 30-day period leading up to Diwali compared to the base year.
- New customer additions continue to remain healthy; the share of new customers was over 36% in 2QFY25.
- The south revenue increased 31% with 25% SSSG and non-south revenue increased 49% with 21% SSSG in 2QFY25.
- The non-south revenue contribution was 49% in 2QFY25 vs. 46% in 2QFY24.
- The growth in studded revenue (+45%) was higher than the gold revenue (+38%).
- The studded share improved and reached ~30% in 2QFY25 vs. 28% in 2QFY24.
- The debt reduction plan is progressing well this financial year, with nearly half of the total targeted reduction already achieved.
- In India, the non-GML working capital loan has been reduced by INR ~1,430m. The target is to reduce it by INR3,000m.
- Franchises revenue share was one-third (33%) of the total revenue.
- Store openings in FY26 are expected to be higher than the current year, with additional stores planned for the South Indian, Middle Eastern, and international markets.

Cost and margin

- Gross margins for the quarter were lower due to a one-time write-off of INR690m.
- Gross margins for franchisee stores will be limited to 8%, while margins for company-owned stores will consistently range between 15.5% and 16%.

- The company experienced a slowdown in the last two weeks of Q2 and anticipated a softer festive season. To mitigate this, it increased advertising efforts and launched festive campaigns earlier in the quarter.
- Following the reduction in customs duties, there was an overall inventory loss of INR1,200m (INR690m in 2Q), and an additional loss of INR500m is anticipated in 3QFY25.

Store expansion

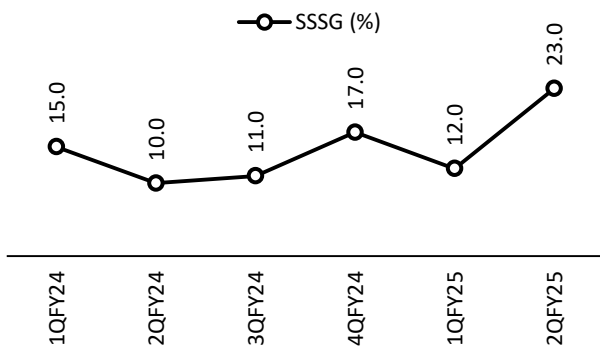
- In India, the company opened 26 showrooms (14 Kalyan India, 12 Candere), bringing the total to 267 (231 Kalyan India, 36 Candere) in 2QFY25.
- The company is on track to meet its FY25 targets of 80 Kalyan and 50 Candere showrooms.

International business

- ME revenue is growing 27%, driven by SSSG of 9%.
- The company has converted three existing showrooms in Oman from the COCO model to the FOCO model.
- The launch of the first showroom in the US has been delayed; it is now expected to open by the end of the current quarter.

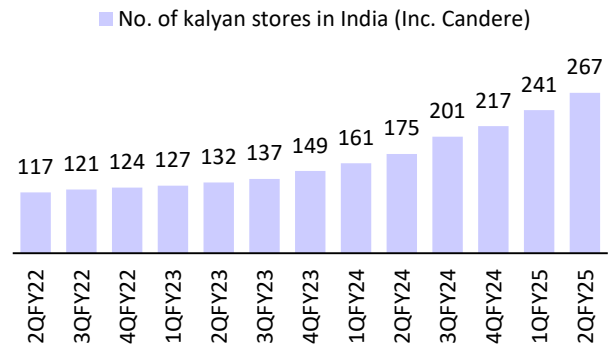
Key exhibits

Exhibit 3: India SSSG at 23% YoY in 2QFY25



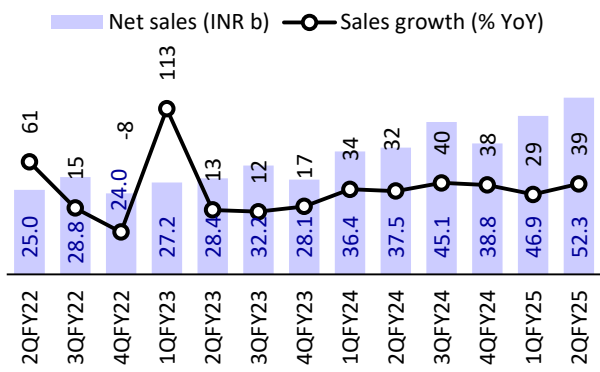
Source: Company, MOFSL

Exhibit 4: Added 26 (14 Kalyan India, 12 Candere) stores in India



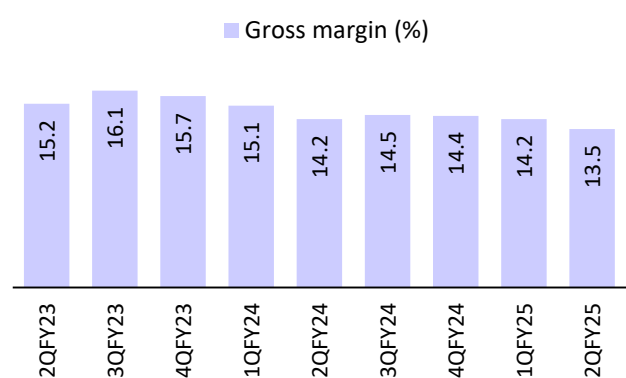
Source: Company, MOFSL

Exhibit 5: India sales grew 39% YoY, led by SSSG and store additions



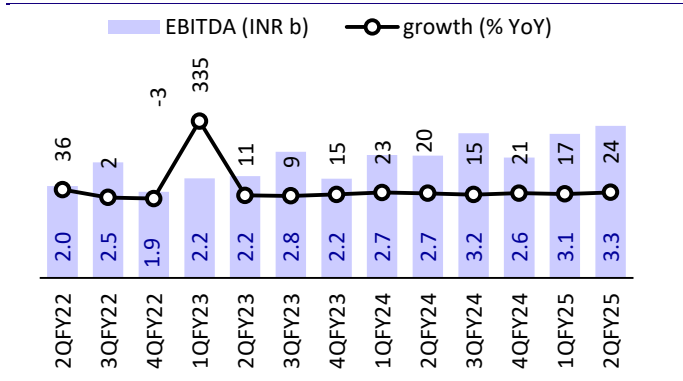
Source: Company, MOFSL

Exhibit 6: India business GP margin contracted 70bp YoY to 13.5%



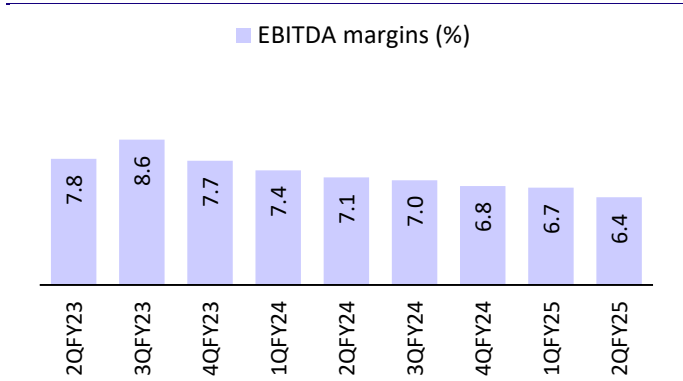
Source: Company, MOFSL

Exhibit 7: India business EBITDA grew 24% YOY to INR3.3b



Source: Company, MOFSL

Exhibit 8: India business EBITDA margin contracted 80bp YoY to 6.4% in 2QFY25



Source: Company, MOFSL

Valuation and view

- We cut our EPS estimates by 4% for FY25 and 5% for FY26.
- The company is further leveraging its brand by extensively expanding across Indian markets, having opened 80 new stores in FY25 through the franchise route. The asset-light expansion will generate the necessary cash flows to repay its debt in India (~INR6.0b) over the next two years. The studded ratio of 28% in FY24 was the best in class and reflected the company’s understanding of evolving consumer trends, such as youth-led and non-traditional preferences. The Middle Eastern business (INR26b; 36 stores) was steady in FY24.
- KALYANKJ aims to reduce its overall debt levels by ~INR7.0b by FY26, which is progressing well. We model 29%/23%/33% revenue/ EBITDA/PAT CAGR during FY24-27E.
- **With industry-leading growth, we expect rich valuation to sustain. We reiterate a BUY rating with a TP of INR800 (based on 60x Sep’26 P/E).**

Exhibit 9: We cut our EPS estimates by 4% for FY25 and 5% for FY26.

(INR b)	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	2,51,099	3,20,645	2,47,698	3,16,423	1%	1%
EBITDA	16,720	20,458	16,675	20,699	0%	-1%
Adjusted PAT	8,300	11,135	8,658	11,724	-4%	-5%

Financials and valuations

Income Statement consol.

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	1,01,009	85,733	1,08,179	1,40,714	1,85,483	2,51,099	3,20,645	3,94,282
Change (%)	3.4	-15.1	26.2	30.1	31.8	35.4	27.7	23.0
Gross Profit	17,092	14,592	16,916	21,992	27,137	35,555	41,096	48,408
Margin (%)	16.9	17.0	15.6	15.6	14.6	14.2	12.8	12.3
EBITDA	7,603	5,943	8,145	11,141	13,127	16,720	20,458	24,689
Change (%)	31.0	-21.8	37.1	36.8	17.8	27.4	22.4	20.7
Margin (%)	7.5	6.9	7.5	7.9	7.1	6.7	6.4	6.3
Depreciation	2,391	2,249	2,316	2,446	2,743	3,360	3,910	4,446
Int. and Fin. Charges	3,803	3,754	3,224	3,026	3,232	3,508	3,163	3,301
Other Income	801	454	383	379	737	1,185	1,422	1,642
Profit before Taxes	2,209	394	2,989	6,048	7,888	11,037	14,807	18,584
Change (%)	955.7	-82.2	659.3	102.4	30.4	39.9	34.2	25.5
Margin (%)	2.2	0.5	2.8	4.3	4.3	4.4	4.6	4.7
Tax	786	455	748	1,396	1,925	2,737	3,672	4,646
Tax Rate (%)	35.6	115.6	25.0	23.1	24.4	24.8	24.8	25.0
PAT Before Minority	1,423	-61	2,240	4,652	5,963	8,300	11,135	13,938
Minority Interest	-7	2	-3	-12	-11	0	0	0
Exceptional	0	0	0	333	0	1,200	0	0
Reported PAT	1,430	-64	2,244	4,331	5,973	7,100	11,135	13,938
Adjusted PAT	1,430	-64	2,244	4,599	5,973	8,300	11,135	13,938
Change (%)	-4,113	-104	-3,616	105	30	39	34	25
Margin (%)	1.4	-0.1	2.1	3.3	3.2	3.3	3.5	3.5

Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	9,583	10,301	10,301	10,301	10,301	10,301	10,301	10,301
Reserves	12,028	17,960	21,070	26,047	31,590	36,424	44,263	53,874
Net Worth	21,611	28,260	31,370	36,347	41,891	46,724	54,563	64,175
Minority Interest	-30	5	9	-2	-13	-13	-13	-13
GML	11,671	14,180	14,968	18,536	22,530	23,656	24,441	25,258
Loans	24,230	19,600	18,664	16,550	10,643	6,643	3,643	643
Lease liability	7,578	6,983	6,661	7,869	11,691	16,294	21,311	26,420
Deferred tax	-81	-461	-450	-562	-662	-662	-662	-662
Capital Employed	64,979	68,567	71,223	78,738	86,079	92,642	1,03,284	1,15,821
Gross Block	15,462	15,031	16,056	15,373	18,644	21,144	22,744	24,344
Less: Accum. Depn.	4,669	5,413	6,240	6,635	7,739	9,391	11,212	13,142
Net Fixed Assets	10,793	9,618	9,816	8,738	10,904	11,753	11,532	11,201
Goodwill	51	51	51	51	51	51	51	51
Intangible assets	97	94	70	49	35	35	36	36
Capital WIP	242	527	17	200	485	485	485	485
Right to Use Assets	10,110	8,613	8,667	9,580	11,390	14,612	17,361	20,080
Investments	0	0	6	44	44	44	44	44
Other non-current assets	1,830	2,186	1,962	2,748	5,117	9,983	13,559	17,420
Curr. Assets, L&A	58,984	67,103	68,414	85,158	99,490	1,08,644	1,24,953	1,44,269
Inventory	47,203	53,031	57,943	70,139	82,976	1,00,737	1,11,859	1,31,374
Account Receivables	2,137	1,127	1,195	2,442	3,283	4,333	5,185	6,145
Cash and Bank Balance	7,501	10,966	7,772	9,819	9,751	675	4,207	2,199
Others	2,142	1,979	1,504	2,759	3,480	2,899	3,701	4,551
Curr. Liab. and Prov.	17,127	19,627	17,778	27,830	41,436	52,964	64,735	77,765
Account Payables	5,576	6,901	6,566	11,927	19,441	25,892	32,720	39,986
Provisions	385	445	493	714	668	945	1,149	1,421
Other current liabilities	11,166	12,280	10,720	15,188	21,326	26,126	30,866	36,357
Net Current Assets	41,857	47,476	50,635	57,329	58,054	55,680	60,218	66,505
Application of Funds	64,979	68,564	71,224	78,738	86,079	92,642	1,03,284	1,15,821

E: MOSL Estimates

Financials and valuations

Ratios						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	1.5	-0.1	2.2	4.5	5.8	8.1	10.8	13.5
Cash EPS	4.0	2.1	4.4	6.8	8.5	11.3	14.6	17.8
BV/Share	22.6	27.4	30.5	35.3	40.7	45.4	53.0	62.3
DPS	0.0	0.0	0.0	0.5	1.2	2.2	3.2	4.2
Payout %	0.0	0.0	0.0	11.2	20.7	27.3	29.6	31.0
Valuation (x)								
P/E	448.9	-10,815.5	307.6	150.1	115.5	83.2	62.0	49.5
Cash P/E	168.0	315.8	151.4	98.0	79.2	59.2	45.9	37.5
EV/Sales	6.5	8.2	6.5	5.0	3.7	2.8	2.2	1.7
EV/EBITDA	86.7	117.6	86.1	62.5	52.6	41.6	33.7	27.9
P/BV	29.7	24.4	22.0	19.0	16.5	14.8	12.6	10.8
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.6
Return Ratios (%)								
RoE	6.9	-0.3	7.5	13.6	15.3	18.7	22.0	23.5
RoCE	6.0	-1.0	6.7	9.3	10.2	12.2	13.8	15.0
RoIC	6.8	-1.1	7.7	10.6	11.6	13.1	14.2	15.5
Working Capital Ratios								
Inventory (Days)	167	213	187	166	151	134	121	113
Debtor (Days)	7	7	4	5	6	6	5	5
Payable (Days)	18	27	23	24	31	33	33	34
Cash conversion (Days)	155	194	168	147	125	106	93	84
Inventory turns (x)	2.2	1.7	1.9	2.2	2.4	2.7	3.0	3.2
Asset Turnover (x)	1.6	1.3	1.5	1.8	2.2	2.7	3.1	3.4
Leverage Ratio								
Net Debt/Equity (x)	1.3	0.8	0.8	0.7	0.6	0.6	0.4	0.4

Cash Flow Statement						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Profit before Tax	2,209	394	2,989	5,715	7,888	11,037	14,807	18,584
Depreciation	2,391	2,249	2,316	2,446	2,743	3,360	3,910	4,446
Net interest	3,333	3,461	2,805	2,753	2,649	2,323	1,741	1,659
Others	-460	1,396	-59	85	170	0	0	0
Direct Taxes Paid	-65	-569	-1,529	-1,290	-2,262	-2,737	-3,672	-4,646
(Incr)/Decr in WC	-4,213	-642	-4,071	424	2,040	-7,158	-479	-7,753
CF from Operations	3,196	6,288	2,450	10,134	13,227	6,825	16,307	12,290
Incr in FA	-1,075	-479	-908	-1,863	-3,712	-2,532	-1,635	-1,638
Free Cash Flow	2,121	5,810	1,542	8,272	9,516	4,293	14,673	10,652
Pur of Investments	28	0	-6	-37	0	0	0	0
Others	529	-268	705	188	1,896	-6,998	-6,698	-7,143
CF from Invest.	-517	-747	-209	-1,712	-1,816	-9,530	-8,333	-8,781
Issue of Shares	0	7,565	0	0	0	-1,200	0	0
Incr in Debt	1,816	-5,132	-861	-2,146	-5,909	-4,000	-3,000	-3,000
Dividend Paid	0	0	0	0	-515	-2,266	-3,296	-4,326
Net interest Paid	-2,706	-2,864	-2,407	-2,291	-2,389	-3,508	-3,163	-3,301
Others	-2,542	-1,646	-2,167	-1,939	-2,667	4,603	5,018	5,109
CF from Fin. Activity	-3,432	-2,076	-5,435	-6,376	-11,479	-6,371	-4,442	-5,518
Incr/Decr of Cash	-753	3,465	-3,194	2,047	-68	-9,076	3,533	-2,009
Add: Opening Balance	8,255	7,501	10,966	7,772	9,819	9,751	675	4,207
Closing Balance	7,501	10,966	7,772	9,819	9,751	675	4,207	2,199

E: MOSL Estimates

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

NOTES

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 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. 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 (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have 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. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, 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.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- 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.

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. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the 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.

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.

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.

Disclosure of Interest Statement

Analyst ownership of the stock

Kalyan Jewellers

No

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 Financial Services Limited (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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

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 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

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 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. 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.