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)

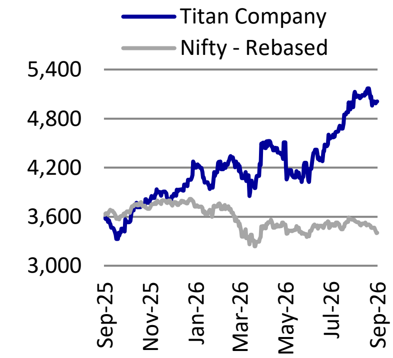
Y/E Mar	2027E	2028E	2029E
Sales	1,056.3	1,225.6	1,413.1
Sales Gr. (%)	20.6	16.0	15.3
EBITDA	103.7	124.6	146.9
Margins (%)	9.8	10.2	10.4
Adj. PAT	65.6	80.6	96.5
Adj. EPS (INR)	73.7	90.6	108.5
EPS Gr. (%)	27.3	22.9	19.8
BV/Sh.(INR)	228.0	291.4	367.3
Ratios			
RoE (%)	36.4	34.9	32.9
RoCE (%)	16.5	18.6	18.8
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)



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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.**

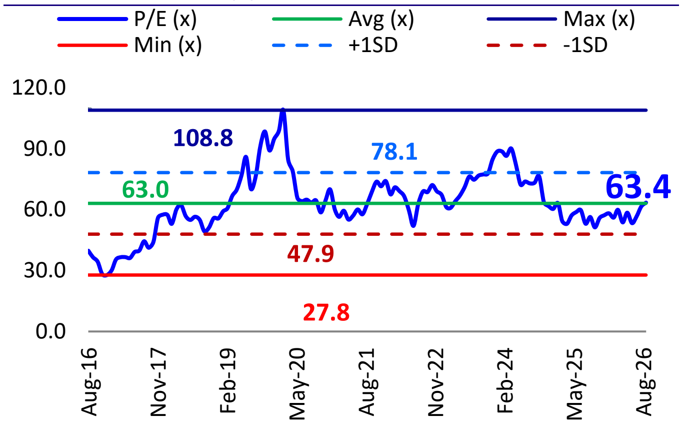
Exhibit 1: TTAN's segmental performance over the years

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

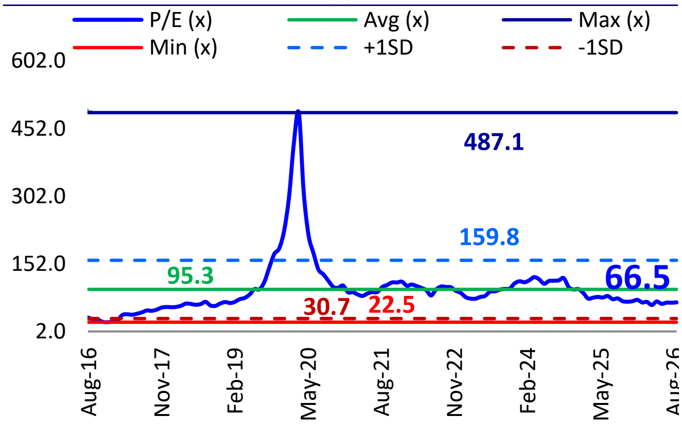
Titan Jewelry business (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Standalone Jewelry Sales (Ex-bullion)	160.3	167.4	172.7	232.7	319.0	383.5	465.7	611.5	773.0	903.4	1,046.2
YoY growth (%)	0	4%	3%	35%	37%	20%	21%	31%	26%	17%	16%
Tanishq SSSG (%)	16%	3%	-9%	41%	32%	15%	13%	27%	21%	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

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