

RETAIL

19 September 2025

Glittering prospects: Titan & PNG our preferred jewels

- Rising gold prices are likely to accelerate the pace of shift from unorganised to organised in the Indian retail jewellery sector
- Companies with high franchise revenue, low leverage and superior ROCE are likely to gain market share over the medium term
- Initiate coverage on 5 jewellery stocks; BUY on PNG and Titan; HOLD on others (Kalyan, Thangamayil, Senco) on rich valuations

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

Indian Retail Jewellery market to grow at 10-12% CAGR over FY25-FY29: Indian retail jewellery market size is estimated to be Rs 8.3trn in FY25. The industry has grown at 16.7% CAGR over FY19-FY25, mainly driven by higher gold prices (+14.5% CAGR). Going ahead, the Indian retail jewellery market is projected to grow at 10-12% CAGR over FY25-FY29. The share of organised players has grown from 30-35% in FY19 to 37-42% in FY25 and is projected to grow to 44-49% by FY29.

Competitive landscape of Indian Retail Jewellery industry: We have compiled the data of top 25 retail jewellers in India, which would account for 39% share of the industry and >90% share of the organised retail jewellery market. Revenue of the top 25 players (+19.2% CAGR) has grown at a faster pace vs the industry (+15.0% CAGR) over FY19-FY24. In FY24, average EBITDA margin and ROE for the top 25 players stood at 6.5% and 18.4%, respectively. Average stock turn stood at 3.0x and net debt/EBITDA ratio was quite high at 2.1x in FY24.

How to play the sector in a rising gold price environment? We believe that companies with high share of franchise revenue, low leverage and superior ROCE profile would grow at a faster pace vs industry over the medium term. Based on these criteria, we prefer Titan over Kalyan among pan-India players due to high share of franchisee revenue and superior ROCE profile. Among regional players, PNG would be our preferred pick as we see relatively better store expansion prospects due to low leverage and a healthy ROCE profile, whereas Senco would be the least preferred given the high leverage and weak ROCE profile.

Initiate on Indian Jewellery sector with a positive outlook: as we believe the steep rise in gold price and stricter regulatory compliance will accelerate the pace of shift from unorganised to organised. We initiate coverage on Titan with a BUY rating as we believe it would continue to maintain its leadership position in jewellery sector with industry leading return ratio. We also initiate coverage on PNG with a BUY rating in anticipation of faster rollout of new stores over the medium term, on strong B/S position. We initiate Kalyan, Thangamayil and Senco with a HOLD rating as positive earnings outlook is well baked in the current valuation.

Recommendation snapshot

Ticker	Price	Target	Rating
KALYANKJ IN	511	500	HOLD
PNGJL IN	637	735	BUY
SENCO IN	373	400	HOLD
TJL IN	2,155	2,050	HOLD
TTAN IN	3,467	4,000	BUY

Price & Target in Rupees | Price as of 19 Sep 2025



Contents

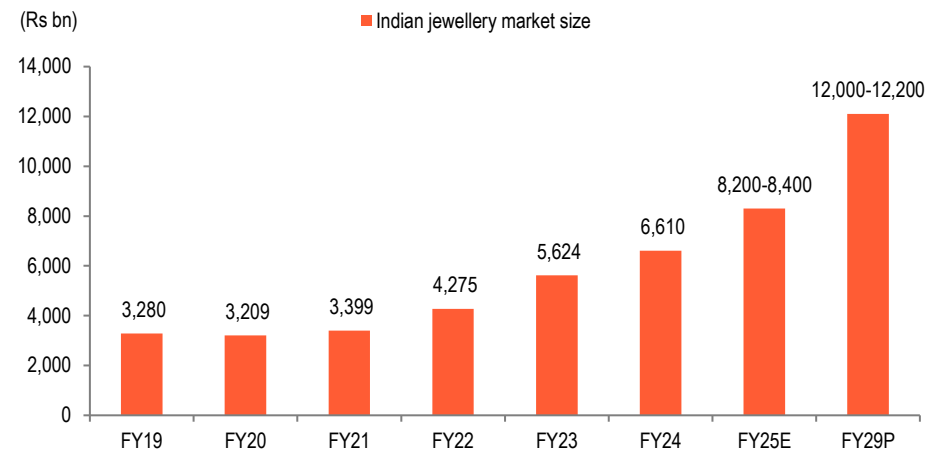
Industry Overview	3
Indian Retail Jewellery market to grow at 10-12% CAGR over FY25-FY29	3
Organised Retail Jewellery chains share to grow to 44-49% in FY29	5
Rising competitive intensity	6
Competitive landscape of Indian Retail Jewellery Industry	7
How to play the sector in a rising gold price environment?	9
Initiate on Jewellery sector with a positive outlook	9
Companies	10
Titan Company	11
Kalyan Jewellers	21
P N Gadgil Jewellers	31
Senco Gold	37
Thangamayil Jewellery	45

Industry Overview

Indian Retail Jewellery market to grow at 10-12% CAGR over FY25-FY29

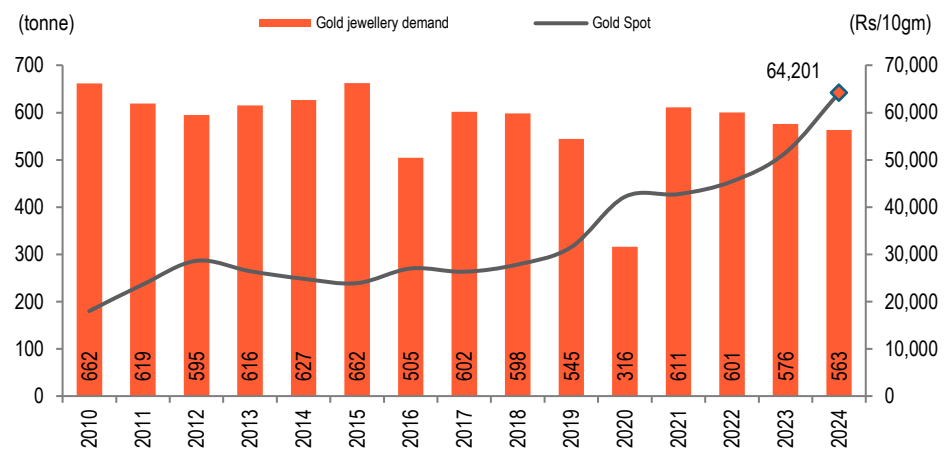
Indian retail jewellery market size is estimated to be Rs 8.3 trn in FY25. The industry has grown at 16.7% CAGR over FY19-FY25, driven by higher gold prices (+14.5% CAGR) and an increase in the share of non-gold jewellery sales (i.e. +100bps to 16%). As per World Gold Council, India's gold demand for jewellery has gone down by 1% CAGR over 2018-2024. Going ahead, the Indian retail jewellery market is projected to grow at 10% CAGR over FY25-FY29.

Fig 1 – Indian Retail Jewelry market to grow at 10-12% CAGR over FY25-FY29



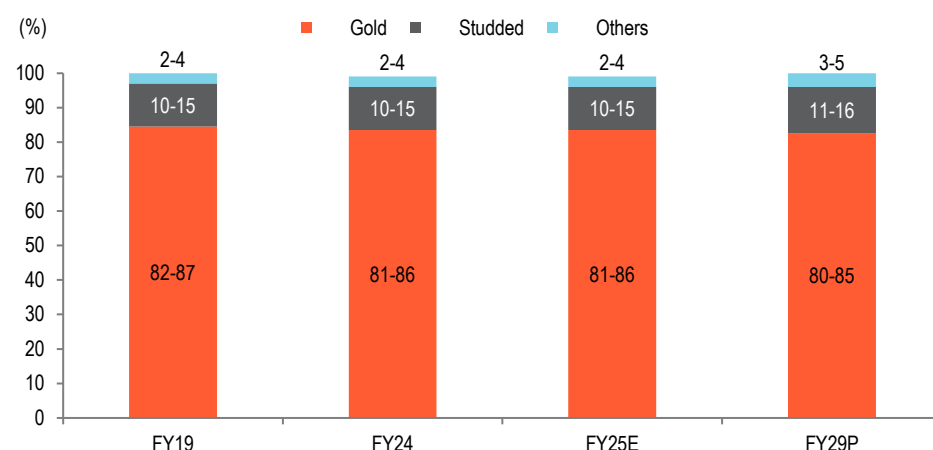
Source: BOBCAPS Research

Fig 2 – Indian gold demand for jewellery has gone down by 1% CAGR over 2018-2024, due to a steep rise in gold prices



Source: World Gold Council, Bloomberg, BOBCAPS Research

Fig 3 – Share of studded jewellery and non-gold jewellery increasing, due to a steep rise in gold prices



Source: Lalithaa DRHP, BOBCAPS Research

Fig 4 – Bridal wear accounts for the largest share in Indian Jewellery industry, followed by daily wear and fashion wear

	Market Share	Karat			Size	Type
Bridal Wear	50-55%	23	22	18	30 - 250 gm	Small Sets, Large Sets, earrings, bangles, waist bands, bindi chains
Daily Wear	35-40%	22	18	0	5 - 30 gm	Chains, necklace, earrings, bangles, pendants
Fashion Wear	5-10%	18	14	0	5 - 20 gm	Chains, pendants, earrings

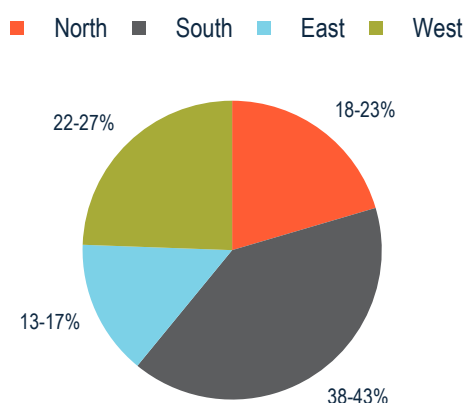
Source: Lalithaa DRHP, BOBCAPS Research

Fig 5 – Indian Jewellery market break-up by product type

Type	Necklaces	Bangles	Chains	Earrings	Finger rings
Market Share (%)	15 - 20	30 - 40	30 - 40	5 - 15	5 - 15
Range of Weights (gm)	25 - 250	8 - 25	10 - 50	2 - 30	2 - 15
Most common weights (gm)	30 - 60	10 - 15	10 - 20	3 - 8	3 - 7

Source: Lalithaa DRHP, BOBCAPS Research

Fig 6 – Indian Jewellery market break-up by region



Source: Lalithaa DRHP, BOBCAPS Research

Fig 7 – Regional jewellery preference (share of studded jewellery is high in North/West, but low in South/East)

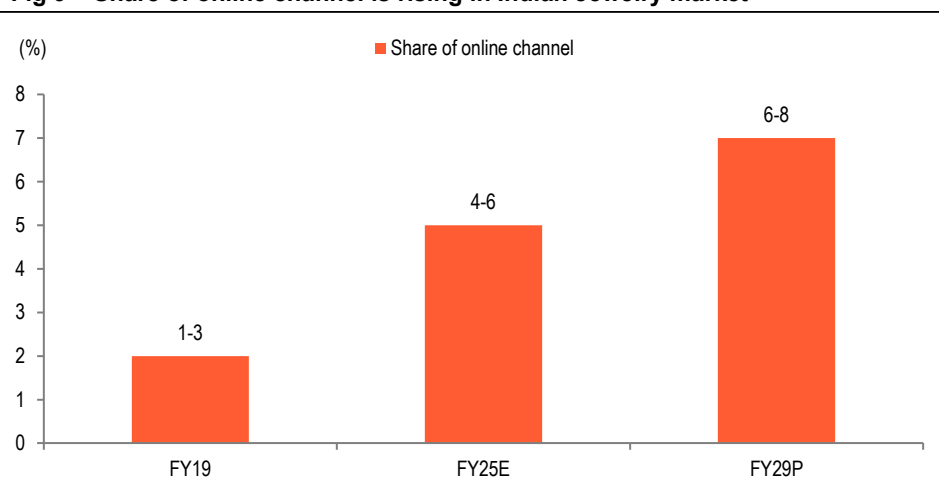
Region	North	East	West	South
Market Share*	20%	15%	25%	40%
Dominant Categories	Ring, Pendants, necklaces	Bangles, Necklace, Rings	Pendants, Earrings	Pendants, Necklace, Earrings
Gold Type	White & yellow	Yellow	White & yellow	Yellow
Diamond Quality	S1-I1	VVS, Lower colours	VS, all colours	VVS, Better colours
Preferred Caratage	22k, 18k, 14k	22k	22k, 18k, 14k	22k
Important Centres	New Delhi, Jaipur	Kolkata	Mumbai, Ahmedabad	Chennai, Hyderabad, Cochin, Bangalore

Source: PNG DRHP, BOBCAPS Research

Fig 8 – Indian jewellery demand arises during festive & marriage season (Q3 is a strong quarter, followed by Q1, Q4, Q2)

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Gold Buying												
Festivals												
Marriages												
Harvests												

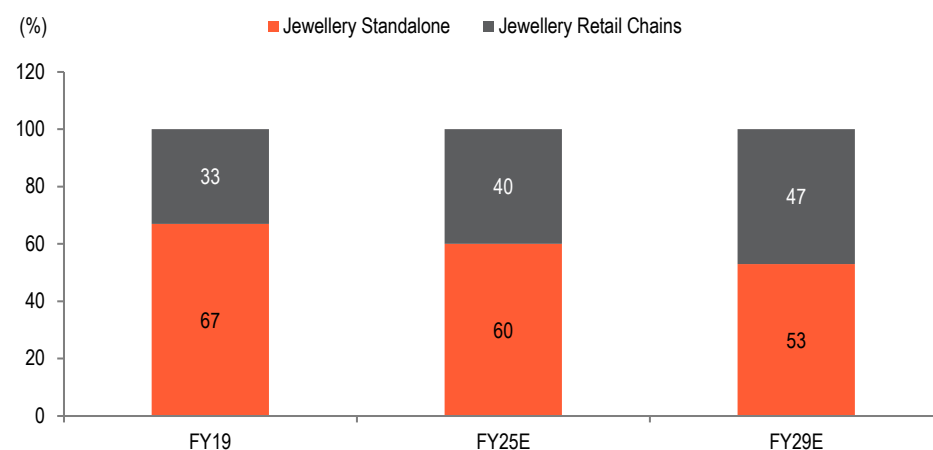
Source: Lalithaa DRHP, BOBCAPS Research

Fig 9 – Share of online channel is rising in Indian Jewellery market

Source: Lalithaa DRHP, BOBCAPS Research

Organised Retail Jewellery chains share to grow to 44-49% in FY29

The share of organized retail jewellery chains has grown from 30-35% in FY19 to 37-42% in FY25 and is projected to grow to 44-49% by FY29, on account of aggressive expansion of retail chain by large organised players (via own & franchisee model), due to better access to funding (equity/gold metal loan/cheaper working capital loan), focus on lifestyle jewellery for regular wear, increased brand spends, better transparency vs standalone players, tightening government norms (pan card mandatory for transaction above Rs 0.2mn from Jan'16, GST implementation in Jul'17, introduction of mandatory hallmarking in Jun'23, etc.).

Fig 10 – Share of organised retail Jewellery to rise to 47% in FY29

Source: BOBCAPS Research

Rising competitive intensity

Competitive intensity in the Indian retail jewelry industry has gone up substantially over the past one decade, due to aggressive store expansion by large as well as small & mid-sized players (due to easy access to growth capital through private equity, IPO, QIP, right issue, etc.). This has resulted in gross margin pressure for the sector over the past few years as the incumbent players are offering increased discounts and promotions to retain and maintain their market share.

Fig 11 – Equity raising program of Indian jewellers over the past few years

Company	Date	Amount Raised (Rs mn)			Remarks
		OFS	Fresh issue	Total	
Thangamayil Jewellery Ltd	2010	0	288	288	IPO
Caratlane Trading Pvt Ltd.	2011	0	273	273	P/E funding
Tribhovandas Bhimji Zaveri	Apr-12	0	2,000	2,000	IPO
Caratlane Trading Pvt Ltd.	2012	0	300	300	P/E funding
Voylla	2012	0	25	25	P/E funding
Bluestone Jewellery & Lifestyle	2012	0	270	270	P/E funding
PC Jeweller Ltd	Dec-12	0	6,013	6,013	IPO
Caratlane Trading Pvt Ltd.	2013	0	900	900	P/E funding
Kalyan Jewellers India Ltd	Oct-14	0	12,000	12,000	P/E funding
Caratlane Trading Pvt Ltd.	2015	0	1,920	1,920	P/E funding
Voylla	2015	0	980	980	P/E funding
Melorra	~Jan/16	0	334	334	P/E funding
DP Abhushan	Oct-17	0	166	166	IPO
Kalyan Jewellers India Ltd	2017	0	5,000	5,000	P/E funding
Sukkhii Fashion Jewellery	Oct-18	0	510	510	P/E funding
Melorra	Sep-20	0	920	920	P/E funding
Kalyan Jewellers India Ltd	Mar-21	3,749	7,999	11,748	IPO
Melorra	Oct-21	0	1,770	1,770	P/E funding
GIVA Jewellery Pvt Ltd	Jan-22	0	835	835	P/E funding
Melorra	May-22	0	1,232	1,232	P/E funding
Senco Gold Ltd	Jul-23	1,350	2,700	4,050	IPO
GIVA Jewellery Pvt Ltd	Jul-23	700	2,000	2,700	P/E funding

Company	Date	Amount Raised (Rs mn)			Remarks
		OFS	Fresh issue	Total	
Khazanchi Jewellers Ltd	Aug-23	0	967	967	IPO
Motisons Jewellers Ltd	Dec-23	0	1,511	1,511	IPO
P.N. Gadgil Jewellers Ltd	Sep-24	2,500	8,500	11,000	IPO
GIVA Jewellery Pvt Ltd	Oct-24	1,658	893	2,550	P/E funding
Senco Gold Ltd	Dec-24	0	4,590	4,590	QIP
Thangamayil Jewellery Ltd	Feb-25	0	5,100	5,100	Rights Issue
Manoj Jewellers Ltd	May-25	0	162	162	IPO
GIVA Jewellery Pvt Ltd	Jun-25	0	5,300	5,300	P/E funding
Bluestone Jewellery & Lifestyle	Aug-25	7,207	8,200	15,407	IPO
Upcoming Equity Raising Program					
Joyalukkas India Ltd	TBD	NA	NA	NA	IPO (DRHP filed in Mar'22)
Lalithaa Jewellery Mart	TBD	5,000	12,000	17,000	IPO (DRHP filed in Jun'25)
PNGS Reva Diamond Jewellery Ltd.	TBD	0	4,500	4,500	IPO (DRHP filed in Jun'25)
P.N. Gadgil Jewellers Ltd	TBD	NA	NA	10,000	QIP (mainly fresh issue)
PC Jeweller Ltd	TBD	0	5,000	5,000	

Source: BOBCAPS Research

Competitive landscape of Indian Retail Jewellery Industry

We have compiled the data of top 25 retail jewellers in India, which would account for 39% share of the industry and >90% share of the organised retail jewellery market. Based on the data, we observed that the revenue of top 25 players (+19.2% CAGR) has grown at a faster pace than the industry (+15.0% CAGR) over FY19-FY24. In FY24, EBITDA margin and ROE for the top 25 players stood at 6.5% and 18.4%, respectively, in FY24. Average stock turn was 3.0x and net debt/EBITDA ratio was quite high at 2.1x in FY24.

Fig 12 – Regional presence of top 25 Retail Jewellers in India

S. No.	Company Name	Revenue (Rs bn) FY24	Region	No. of stores			
				South India	Non-South	International	Total
1	Malabar Gold Pvt Ltd	482	Pan India	144	114	141	399
2	Titan Company Ltd (jewellery)	455	Pan India	513		21	534
3	GRT Group	369	South (mainly TN)	60	0	1	61
4	Kalyan Jewellers India Ltd	185	Pan India	92	186	36	314
5	Joyalukkas India Ltd	169	South	84	18	NA	102
6	Lalithaa Jewellery Mart Ltd	168	South	60	0	0	60
7	Alukkas Enterprises Pvt Ltd	109	South	59	0	0	59
8	Khazana Jewellery Pvt Ltd	90	South (mainly AP/TG)	37	1	0	38
9	Bhima Gold and Diamonds Ltd (BJT Group)	69	South (mainly Kerela)	15	0	0	15
10	P N Gadgil Jewellers Ltd	49	West (mainly Maharashtra)	0	50	1	51
11	Bhima Gold Pvt Ltd	48	South (mainly Karnataka)	20	0	0	20
12	Senco Gold Ltd	52	Pan India (mainly East)	5	165	1	171
13	Chandukaka Saraf & Sons	42	West (MH)	0	25	0	25
14	Thangamayil Jewellery Ltd	38	South (TN)	60	0	0	60
15	P. N. Gadgil & Sons Ltd	36	West	1	29	0	30
16	Bhima Jewels Pvt Ltd	34	South (mainly Kerela)	18	0	0	18

S. No.	Company Name	Revenue (Rs bn) FY24	Region	No. of stores			
				South India	Non-South	International	Total
17	P.C. Chandra (Jewellers)	33	East	0	64	0	64
18	D.P. Abhushan Ltd	23	Central	0	10	0	10
19	Tribhovandas Bhimji Zaveri Ltd	23	Pan-India (mainly West)	3	34	0	37
20	AVR Swarnamahal Jewelry Ltd	25	South (mainly TN)	23	0	0	23
21	Abharan Jewellers Pvt Ltd	18	South (mainly Karnataka)	17	0	0	17
22	Kirtilal Kalidas Jewellers Pvt Ltd	17	South (mainly TN)	19	0	0	19
23	Waman Hari Pethe Jewellers	17	West (MH)	0	25	0	25
24	Pothys Swarna Mahal Private Ltd	14	South (mainly TN)	5	0	0	5
25	Khimji - KD & Sons's	10	East (Odisha)	0	9	0	9
Total		2,578		1,876		201	2,077
Indian jewelry industry market size		6610					
Top 25 market share (%)		39.0					

Source: BOBCAPS Research

Fig 13 – Key financial metrics of top 25 retail jewellers in India

S. No.	Company Name	Revenue - FY24 (Rs bn)	Revenue CAGR (FY19-FY24)	EBITDA margin - FY24	Net Debt/EBITD A - FY24	Inventory turn (x) - FY24	ROE - FY24
1	Malabar Gold Pvt Ltd	482	28.9	3.7	2.2	8.9	25.0
2	Titan Company Ltd (jewellery)	455	22.7	11.8	1.0	2.8	25.4
3	GRT Group	369	17.1	4.8	2.2	4.3	24.0
4	Kalyan Jewellers India Ltd	185	13.7	7.2	3.2	2.1	12.9
5	Joyalukkas India Ltd	169	15.9	10.5	1.3	2.5	20.3
6	Lalithaa Jewellery Mart Ltd	168	16.7	4.5	1.6	4.0	18.2
7	Alukkas Enterprises Pvt Ltd	109	14.3	4.7	2.3	2.7	~20.0
8	Khazana Jewellery Pvt Ltd	90	17.5	8.0	2.3	2.4	19.0
9	Bhima Gold and Diamonds Ltd (BJT Group)	69	20.6	5.1	1.4	5.3	NA
10	P N Gadgil Jewellers Ltd	45	14.8	4.5	1.2	5.1	29.0
11	Bhima Gold Pvt Ltd	48	30.4	6.5	3.4	NA	NA
12	Senco Gold Ltd	52	16.1	7.7	2.3	2.6	16.6
13	Chandukaka Saraf & Sons	42	17.4	6.2	0.5	4.7	NA
14	Thangamayil Jewellery Ltd	38	21.5	5.5	2.3	3.2	22.5
15	P. N. Gadgil & Sons Ltd	36	12.6	7.0	1.8	3.8	9.6
16	Bhima Jewels Pvt Ltd	34	10.0	6.3	3.3	2.3	NA
17	P.C. Chandra (Jewellers)	33	12.9	10.5	1.5	1.4	17.4
18	D.P. Abhushan Ltd	23	23.5	4.1	2.3	4.9	25.8
19	Tribhovandas Bhimji Zaveri Ltd	23	5.4	6.4	4.2	1.6	5.9
20	AVR Swarnamahal Jewelry Ltd	25	14.4	4.6	2.4	3.6	13.1
21	Abharan Jewellers Pvt Ltd	18	13.4	6.9	0.6	3.3	16.6
22	Kirtilal Kalidas Jewellers Pvt Ltd	17	24.2	7.4	2.9	2.1	12.0
23	Waman Hari Pethe Jewellers	17	11.8	7.1	NA	2.1	NA
24	Pothys Swarna Mahal Private Ltd	14	NM	6.5	NA	NA	NA
25	Khimji - KD & Sons's	10	15.9	4.3	1.7	NA	18.6
Total		2,578	19.2	6.5	2.1	3.0	18.4

Source: Company, BOBCAPS Research

How to play the sector in a rising gold price environment?

We believe the steep rise in gold price will accelerate the pace of shift from unorganised to organised as the capex involved in opening a new retail jewellery store (with area of 3,000-4,000 sq ft) has gone up from Rs 300mn to Rs 500-600mn, due to a steep rise in gold prices over the past 2 years. Within the organised space, we believe the companies with high share of franchise revenue, low leverage and superior ROCE profile would grow at a faster pace vs industry over the medium term. Based on these criteria, we prefer Titan over Kalyan among pan-India players, considering the high share of franchisee revenue and superior ROCE profile. Among regional players, PNG would be our preferred pick as we see relatively better store expansion prospects, given low leverage and healthy ROCE profile, whereas Senco would be the least preferred, because of high leverage and a weak ROCE profile.

Fig 14 – Companies with high franchise revenue share, low leverage and high ROCE likely to grow faster amidst rising gold prices

Particulars - FY25	Franchise revenue share (%)	Net Debt/EBITDA (x)	ROCE (%)	Rank
Pan-India				
Titan	67	2.67	25.0	1
Kalyan	36	1.49	22.9	2
Regional				
PNG	11	0.58	17.8	1
Thangamayil	0	2.32	10.8	2
Senco	33	3.20	9.5	3

Source: Company, BOBCAPS Research

Initiate on Jewellery sector with a positive outlook

We initiate coverage on Indian retail jewellery sector with a positive outlook, as we believe the steep rise in gold price and stricter regulatory compliance will expedite industry consolidation (from unorganised to organised). We initiate coverage on Titan with a BUY rating as we believe it would continue to maintain its leadership position in jewellery sector with industry leading return ratio. We also initiate coverage on PNG with a BUY rating in anticipation of faster rollout of new stores over the medium term, on strong B/S position. We initiate Kalyan, Thangamayil and Senco with a HOLD rating as positive earnings outlook is well baked in the current valuation.

Fig 15 – Relative valuation

Particulars	Rating	CMP	TP	Revenue	Historical (%)			Future (%)			Valuation			
	(Rs)	(Rs)	(Rs bn)	Revenue	EBITDA	ROCE	Revenue	EBITDA	Avg ROCE	P/E (x)				
			FY25	6Y CAGR (FY19-FY25)	FY19-FY25	3Y CAGR (FY25-FY28E)	FY26E- FY28E	FY26E	FY27E	FY28E	5Y avg			
TITAN	BUY	3,470	4,000	604.6	20.5	19.1	29.3	15.5	20.8	24.9	67.9	56.3	47.8	71.6
KALYAN	HOLD	513	500	250.5	17.0	18.8	14.6	23.0	26.0	26.5	47.8	38.4	33.0	36.9
PNG	BUY	638	735	75.9	20.6	28.0	18.2	20.0	30.8	22.1	28.4	24.4	18.9	27.6
SENCO	HOLD	371	400	63.3	16.9	26.8	10.7	16.1	23.4	13.1	19.8	20.0	17.5	31.0
TJL	HOLD	2,170	2,050	49.1	22.6	20.8	17.6	21.8	28.7	15.4	34.2	27.8	25.3	25.2
Average					19.5	22.7	18.1	19.3	25.9	20.4	39.6	33.4	28.5	38.5

Source: Company, BOBCAPS Research



BUY**TP: Rs 4,000 | ▲ 15%****TITAN COMPANY**

| Retail

| 19 September 2025

Titan's premium edge to command pricey valuation

- Proven execution in the Indian jewellery market on consistent market share gains with industry-leading return ratios
- Strong earnings growth prospects (EPS to grow at 24.6% CAGR) with healthy ROCE (~25%) over FY26-FY28E
- Initiate with BUY rating and TP of Rs 4,000 per share; premium edge to command pricey valuation

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

A good bet in consumer discretionary space in India: Titan is the leading retail player in the jewellery and watch categories and the 2nd largest player in India's eyecare market. We believe Titan to be a good bet in consumer discretionary space due to the increasing affluence and aspirational young population.

Strong and talented professional management team: Titan's revenue has grown at a strong 6Y CAGR of 20.5% with healthy average ROCE of 29.3% over FY19-FY25, as operations are backed by a strong and talented professional team. Management has constantly increased addressable market size of the existing product category as well as enter into new product category and scale it up in a profitable manner. The company enjoys the lowest attrition rate in the Indian jewellery industry, owing to sound HR management policies.

Solid execution track record in Jewellery: Titan has become a leading player in the Indian jewellery market. The company has been consistently gaining market share and operates at an industry-leading return ratio in the Indian jewellery industry, due to a) high share of franchise revenue b) superior margin profile (6Y avg of 11.0% vs 5-7% for its listed peers), on the back of premium pricing policy and high studded share (at 29-30% vis-à-vis <10% for most of its peers), and c) better inventory management and hedging policies.

Strong earnings growth prospects with healthy return ratio: Titan's EPS is projected to grow at a strong 24.6% CAGR over FY25-FY28E. ROCE is projected to remain at a healthy level of ~25% over FY26-FY28E.

Initiate with BUY and TP of Rs 4,000 per share: We initiate our coverage on the stock with a BUY rating and TP of Rs 4,000 per share. At CMP, the stock trades at 1YF P/E of 61.6x vs pre-COVID average of ~50x. We value the stock at 60x P/E on Sep'27E EPS. We believe that TITAN stock would continue to trade at a premium multiple as we believe it would maintain leadership position in the Indian jewellery sector with industry leading return ratio profile over the long-term due to strong competitive edge over its major peers.

Ticker/Price	TTAN IN/Rs 3,467
Market cap	US\$ 35.0bn
Free float	47%
3M ADV	US\$ 33.4mn
52wk high/low	Rs 3,867/Rs 2,925
Promoter/FPI/DII	53%/18%/13%

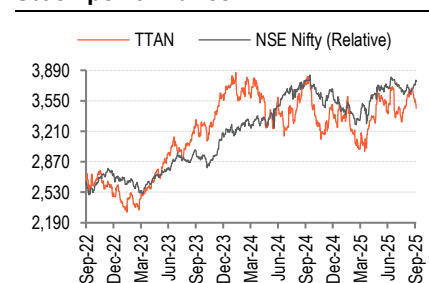
Source: NSE | Price as of 19 Sep 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	6,04,560	7,04,820	8,06,522
EBITDA (Rs mn)	56,940	75,147	87,259
Adj. net profit (Rs mn)	33,370	45,515	54,815
Adj. EPS (Rs)	37.5	51.1	61.6
Consensus EPS (Rs)	16.2	22.1	29.7
Adj. ROAE (%)	31.8	34.4	32.8
Adj. P/E (x)	92.5	67.8	56.3
EV/EBITDA (x)	56.4	43.0	37.0
Adj. EPS growth (%)	(4.5)	36.4	20.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Investment Rationale

A good bet in consumer discretionary space in India

Titan is the leading retail player in the jewellery and watch categories and the 2nd largest player in India's eyecare market. The company has entered into other emerging businesses (i.e. ethnic wear, fragrances, women bags) over the past one decade to diversify its revenue stream. We believe Titan would be a good bet in consumer discretionary space due to increasing affluence (no. of households in top 2 income classes expected to double in share to 26% by 2030) and aspirational young population (median age in India is expected to be 29 years in 2025).

Fig 1 – TITAN to be a good bet in consumer discretionary space in India



Source: CCI proprietary income model, BCG analysis, BOBCAPS Research | 1. Annual household gross income is based on 2019 prices. Note: Annual Gross Household income—Strugglers: INR <1.5 lakhs; Next Billion: INR 1.5–5 lakhs; Aspirers: INR 5–10 lakhs; Affluent: INR 10–20 lakhs; Elite: INR >20 lakhs;

Strong & talented professional management team

Titan's revenue has grown at a strong 6Y CAGR of 20.5% with healthy average ROCE of 29.3% over FY19-FY25, as its operations are backed by a strong and talented professional team. The company enjoys the lowest attrition rate in the Indian jewellery industry due to sound HR management policies such as identifying young leaders and nurturing them for the middle and top management roles; providing incentives to employees to deliver profitable growth; providing additional bonus to employees during the year when the company exceeds its annual growth target, etc.

Fig 2 – TITAN Key Management Profile

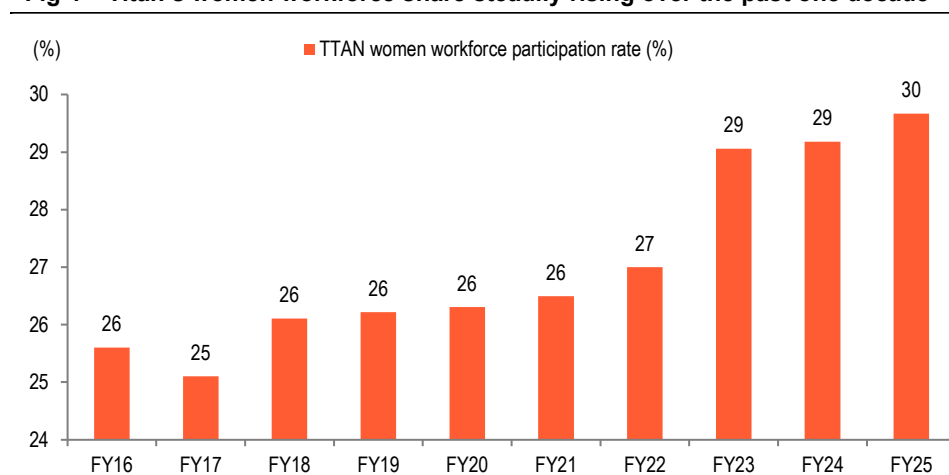
Name	Age	Designation	Qualification	Background
C.K. Venkataraman	64	Managing Director	IIT (Madras); MBA - IIM (Ahmedabad)	Joined Titan in 1990 in the watch division, where he helped build brands like Fastrack and Sonata. In 2005, he became CEO of the jewellery division. He was appointed MD in Oct'19. He is set to retire in Dec'25.
Ajoy Chawla	57	CEO – Jewellery	B.E. (Mechanical); MBA - IIM (Calcutta); Advanced Management Program from Harvard Business School	Associated with Titan since 1990, serving leadership roles across sales, marketing, retail, and strategy. He was instrumental in building brands like Titan watches, Fastrack, and Helios, and played a key role in shaping Titan's retail and luxury strategy. In 2018, he became Chief Strategy Officer, leading company-wide strategy and digital transformation. Since Oct'19, he has served as CEO of the Jewellery Division. He is set to take over as MD of Titan in Jan'26.
Arun Narayan	-	Head – Tanishq India Business	B.E. (Electronics & Communications); MBA - Marketing, IIM (A)	He leads the Tanishq India business since April 2020 and would become the CEO of Titan's Jewellery Division from Jan'26. With nearly 30 years of experience within the Tata Group, he has previously held roles such as Regional Business Head (West), Helios Business Head, and National Sales & Retail Head – Titan Watches .
Supama Mitra	56	CEO – Watches & Wearables	B.E. (Electrical); MBA - IIM (A)	Associated with Titan Company Limited since 2006. She served as Chief Sales and Marketing Officer for the Watches & Wearables division before being appointed CEO in April 2020. She resigned from her position, effective August 12, 2025, citing personal reasons .
Kuruvilla Markose	53	CEO – International Business Division	MBA (IIFT, New Delhi)	Associated with Titan since the early 2000s. Appointed CEO of the International Business Division in Aug'21. He is set to assume the role of CEO of the Watches Division from August 13, 2025.
Ambuj Narayan	-	CEO – Indian Dress Wear	PGDM - Marketing, SIBM (Pune)	He joined Titan in Feb'22 as CEO of Taneira, aiming to redefine women's ethnic wear through innovation and craftsmanship. He has over 25 years of experience in sales and operations across retail and consumer durables industries. He has held leadership roles at Metro Cash & Carry, Walmart, Whirlpool, and BPL.
Manish Gupta	-	CEO – Fragrances & Fashion Accessories	B.Tech. (Mechanical); IIT Kharagpur	Joined Titan in Apr'16 as Business Head – North. He was serving as Chief Operating Officer in 2019 and was appointed as CEO & Vice-President of the Fragrances & Fashion Accessories Division in Apr'21.
Ashok Kumar Sonthalia	57	Chief Financial Officer	CA; Executive management program from XLRI, Jamshedpur	Joined Titan in early 2021. He has 3+ decades of experience in corporate finance. Previously, he served as the CFO of Larsen & Toubro Infotech, Greaves Cotton Ltd.
Krishnan Venkateswaran	-	Chief Digital & Information Officer	B.Tech (Engineering) - IIT, Bombay; MBA - IIM ©	He leads the company's digital transformation strategy across all business operations (i.e. ERP, CRM, e-commerce, POS, loyalty, and supply chain systems). He is also involved in building a 'Phygital' organisation, one that seamlessly combines the best of physical and digital products for all the divisions.
Revathi Kant	-	Chief Design Officer	M.Sc. - Regional Engineering College, Trichy	Joined Titan in 1990 as a market researcher and moved to lead the design team for watches division in 2005. In 2010, she transitioned to the Jewellery division, heading design, innovation & development for Tanishq. She has been appointed as the Chief Design Officer since 2017.
Naveen Dadlani	-	Head – Retail Network Development	B.E. (Civil) - Manipal Institute of Technology	Joined Titan in Dec'24. He has 20+ years of experience in retail operations and real estate. Prior to Titan, he led property acquisition and retail expansion at Marks & Spencer Reliance India. At Titan, he oversees retail infrastructure, store development, procurement, and quality management.
Swadesh Behera	-	Chief People Officer	MA, Personnel Management & Industrial Relations – TISS, Mumbai; MA, Sociology – University of Hyderabad; Exec. Program, HR Strategy – Cornell University	Joined Titan in July 2021. Has over two decades of HR leadership. Has earlier working with Coca Cola as General Manager – HR; Ranbaxy Laboratories as Director – HR, India region; MSD Pharmaceuticals (MERCK & Co.), as Director – HR.

Source: Company, BOBCAPS Research

Fig 3 – Titan has the lowest attrition rate compared to its major peers

Attrition rate (%) – FY25	Male	Female	Total
Titan	9	13	10
Thangamayil	10	16	13
PNG	NA	NA	23*
Senco	20	29	24
Kalyan	45	86	53

Source: Company, BOBCAPS Research; *pertains to FY24

Fig 4 – Titan's women workforce share steadily rising over the past one decade

Source: Company, BOBCAPS Research

Strong focus to increase the addressable market size in a profitable manner

Titan started its journey with the retailing of watches in 1987, gradually enter into retailing of other products (jewellery in 1996; eyecare in 2007; fragrances in 2013; ethnic wear in 2017; women bags in 2022) thereafter. The company also exited from non-profitable and non-scalable product categories in the past to improve its margin and return ratio profile (such as closure of Goldplus stores in South India in 2017 to exit the low margin jewellery business; exit of loss-making luxury premium watch brand, Favre Leuba, in 2020, etc.). The company has also expanded the market size of key product categories in past (as mentioned below).

- **Watch:** Titan entered into a JV with Timex in 1992 to expand into mid-range watches; launched Sonata brand to target the affordable segment; launched Fastrack in 2003 to cater to the youth and casual wear segments; launched Helios stores in 2009 to market premium-range watches; rolled out smartwatches in 2016 through partnership with Hewlett-Packard; unveiled a smartwatch built in-house after acquiring the US-based wearable start-up Hug Innovations in 2020.
- **Jewellery:** Titan launched GoldPlus stores (mainly caters to low-margin plain-gold jewellery) in 2005 to increase its market share in South India; launched Zoya brand stores in 2008 to market the high-end studded jewellery, launch of Mia brand stores in 2011 to cater fashion jewellery; acquisition of Caratlane in 2016 to enhance digital footprint in the online fashion jewellery segment, launch of Tanishq stores in the international market in 2020 to leverage its strong brand name outside India; acquisition of 67% stake in Damas in 2025 to expand footprint in the Middle East.

- **Eyecare:** Launched sunglasses under Fastrack brand in 2005; launched Titan Eye+ retail stores in 2007 to enter into eyewear retail segment; increased the capability of captive manufacturing of frames and lenses over the period, etc.

Fig 5 – TITAN Journey



Source: Company, BOBCAPS Research

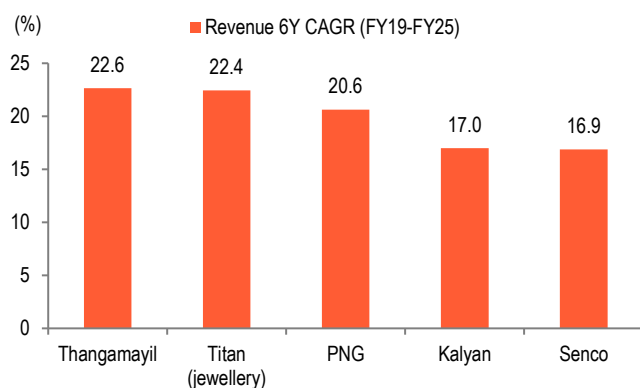
Solid execution track record in Jewellery

Titan's market share in Indian retail jewellery industry improved from 5.0% in FY19 to 6.1% in FY25 due to aggressive expansion of its retail footprint through a mix of its own and franchisee models, successful entry into the lifestyle jewellery category through the acquisition of Caratlane, better designs, and attractive exchange and customer deposit program. It also operates at an industry-leading return ratio due to a) high share of franchise revenue b) superior margin profile (6Y avg of 11.0% vs 5-7% for its listed peers), on the back of premium pricing policy and high studded share (at 29-30% vs <10% for most of its peers) and c) better inventory management and hedging policies.

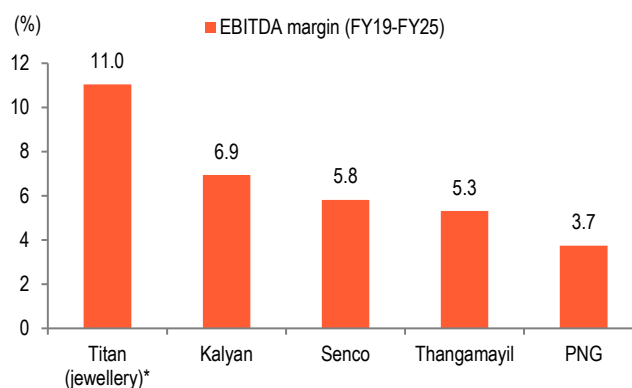
Fig 6 – Titan consistently gaining market share in Indian Retail Jewellery market

Particulars (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Standalone (ex-bullion sales)	160	167	173	233	319	384	466
Caratlane	4	6	7	13	22	31	42
TITAN India Jewellery Revenue	164	174	180	245	341	414	508
Indian retail jewellery market size	3,280	3,209	3,399	4,275	5,624	6,610	8,300
Titan market share in India retail jewellery industry	5.0%	5.4%	5.3%	5.7%	6.1%	6.3%	6.1%

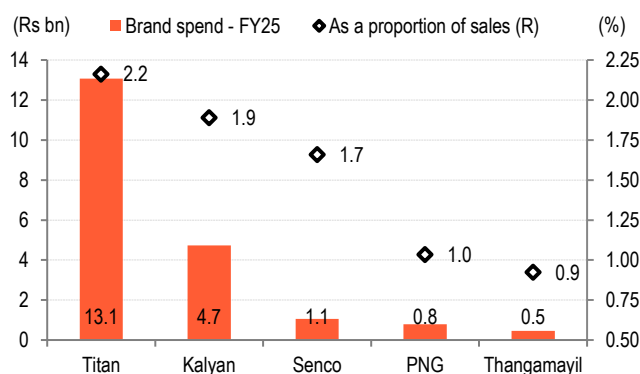
Source: Company, BOBCAPS Research

Fig 7 – Titan jewellery revenue grew at the fastest pace among its major listed peers over FY19-FY25


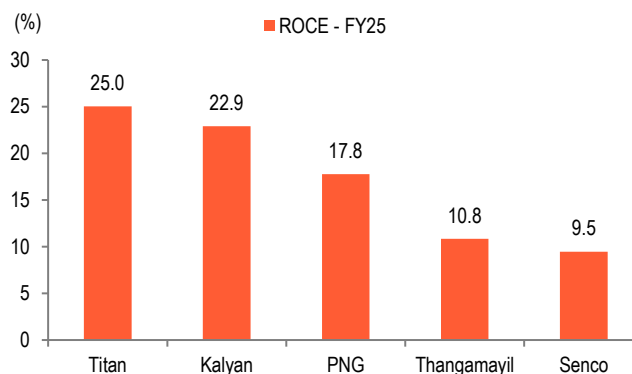
Source: Company, BOBCAPS Research

Fig 8 – Titan operates at leading EBITDA margin, despite high share of franchisee revenue and..


Source: Company, BOBCAPS Research; *excludes the impact of bullion sales and other income

Fig 9 – ..higher brand spend vs major peers


Source: Company, BOBCAPS Research

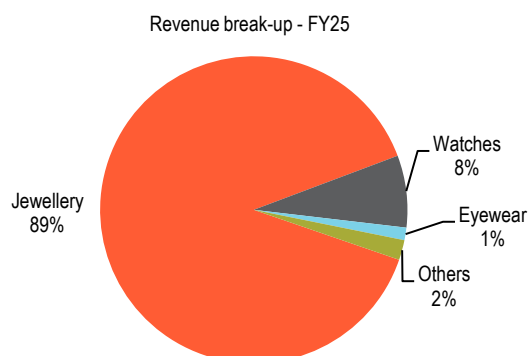
Fig 10 – Titan's return ratio is the best in class in the Indian Retail Jewellery industry


Source: Company, BOBCAPS Research

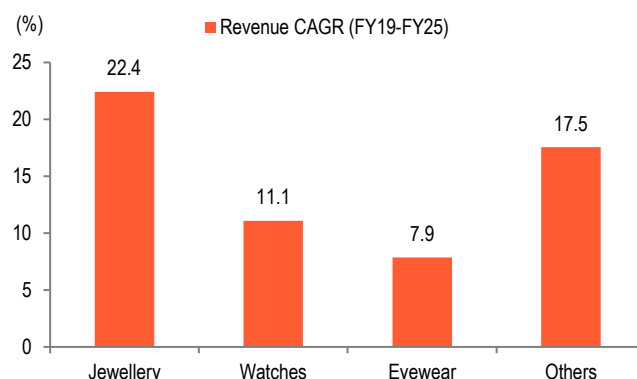
Non-jewellery segment growing at a slower pace

Titan's non-jewelry segment accounts for ~11% of its revenue (watches: +7.5%; eyecare: 1.3%; emerging business: 2.1%) and 15% of its EBITDA (watches: 11.4%; eyecare: 2.5%; others: 0.6%) in FY25. Non-jewellery revenue grew at a moderate pace of 11.7% CAGR over FY19-FY25 vs the jewellery segment (+22.0% CAGR).

- **Watch** segment revenue has grown at a moderate pace of 11.1% CAGR with EBITDA margin in the 13-15% range over FY19-FY25.
- **Eyecare** segment revenue grew at a slow pace of 7.9% CAGR over FY19-FY25, due to intense competition from Lenskart. However, operating margin profile has significantly improved to ~20% at present (vs low single-digit during pre-COVID period) due to the rationalisation of low-margin product, increased focus to promote captive products, and operating leverage benefit.
- **Other emerging business** revenue grew at 17.5% CAGR, due to rapid store expansion of ethnic wear business (i.e. Taneira) and small base of fragrances and women bags (i.e. IRTH) The segment operated at a low EBITDA margin of 3.1% in FY25, owing to an early growth phase.

Fig 11 – Non-jewellery forms only 11% of Titan's revenue in FY25


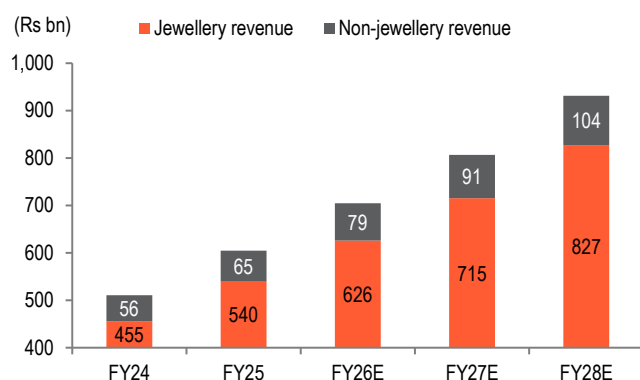
Source: Company, BOBCAPS Research

Fig 12 – Titan's non-jewellery growing at a slower pace vs Jewellery


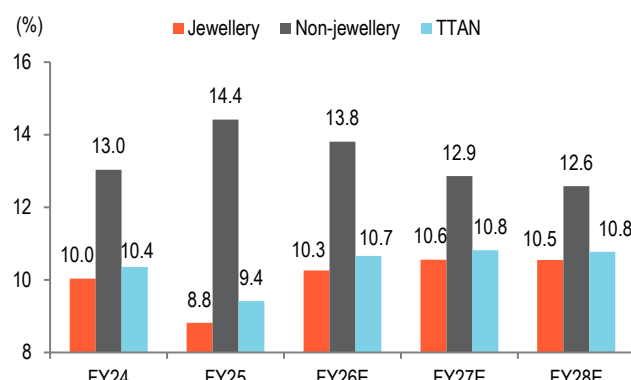
Source: Company, BOBCAPS Research

EPS to grow at a strong 24.6% CAGR over FY25-FY28E

Titan's revenue is projected to grow at 15.5% CAGR over FY25-FY28E, to be driven by both jewellery (+15.3% CAGR) as well as non-jewellery (+17.1% CAGR) segments. EBITDA margin is projected to improve from a low base of 9.4% in FY25 to 10.8% in FY28E. EPS is projected to grow at a strong 24.6% CAGR over FY25-FY28E. Net debt/EBITDA is likely to improve from 2.67x in FY25 to 1.35x in FY28E. ROCE is projected to remain at a healthy level of ~25% over FY26-FY28E. We have not yet factored in the impact of Damas acquisition in our projections.

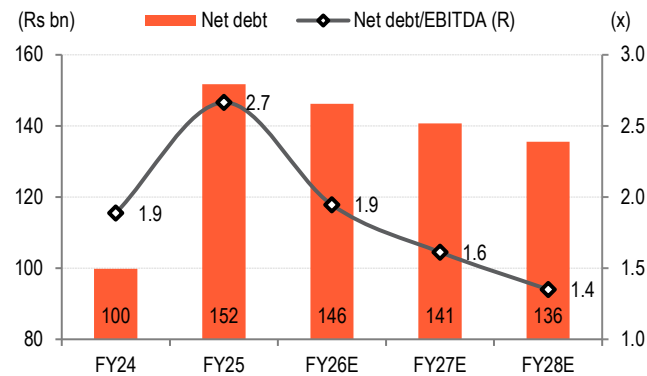
Fig 13 – Revenue to grow at 15.5% CAGR over FY25-FY28E


Source: Company, BOBCAPS Research

Fig 14 – EBITDA margin has been forecasted to improve from 9.4% in FY25 to 10.8% in FY28E


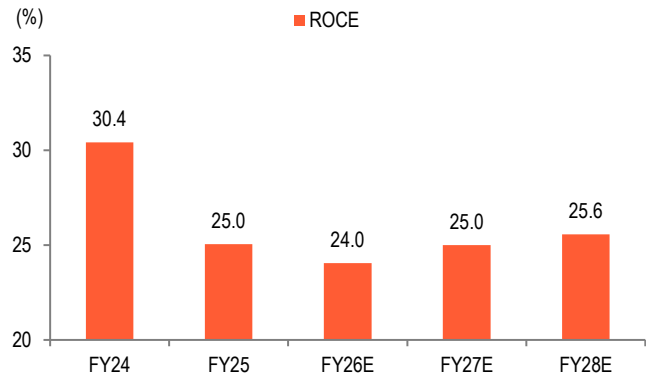
Source: Company, BOBCAPS Research

Fig 15 – Net debt/EBITDA ratio to improve from 2.7x in FY25 to 1.35x in FY28E



Source: Company, BOBCAPS Research

Fig 16 – ROCE is projected to remain at a healthy level of ~25% over FY26-FY28E

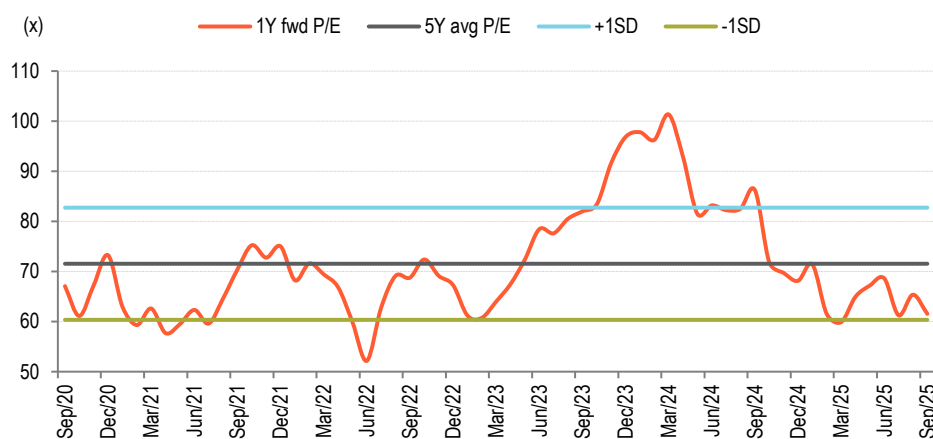


Source: Company, BOBCAPS Research

Valuation Methodology

We initiate our coverage on the stock with a BUY rating and TP of Rs 4,000 (implies upside potential of 15% from last close). At CMP, the stock trades at 1YF P/E of 61.6x vs pre-COVID average of ~50x. We value the stock at 60x P/E on Sep'27E EPS. We believe that TITAN would continue to trade at a premium multiple as we believe it would maintain leadership position in the Indian jewellery sector with industry leading return ratio profile over the long-term due to strong competitive edge over its major peers.

Fig 17 – Titan stock trades at 61.6x on 1YF P/E vs 5Y avg of 71.6x



Source: Company, BOBCAPS Research

Fig 18 – Key assumptions

Key Assumptions	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue mix					
Jewellery	88.2	88.6	88.7	88.7	88.8
Watches	7.6	7.5	7.6	7.7	7.6
Eyewear	1.4	1.3	1.3	1.3	1.3
Others	2.2	2.1	2.2	2.1	2.0
Revenue growth					
Jewellery	26.8	18.5	16.0	14.3	15.7
Watches	18.7	17.0	16.7	15.1	15.1
Eyewear	5.4	10.3	11.2	15.1	15.1
Others	41.4	12.0	20.0	11.6	11.6
EBITDA margin					
Jewellery (excl. other income)	11.2	9.7	10.3	10.6	10.5
Watches	13.3	15.3	16.6	14.7	14.4
Eyewear	20.2	19.4	19.4	18.6	17.9
Others	5.4	3.1	9.4	6.1	6.3

Source: Company, BOBCAPS Research

Key risks

- Steep increase in gold price volatility and regulatory risks
- Market share loss in the jewellery segment

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	5,10,840	6,04,560	7,04,820	8,06,522	9,31,531
EBITDA	52,920	56,940	75,147	87,259	1,00,374
Depreciation	5,840	6,930	7,391	7,570	7,713
EBIT	47,080	50,010	67,756	79,689	92,661
Net interest inc./(exp.)	(6,190)	(9,530)	(10,858)	(10,564)	(10,424)
Other inc./(exp.)	5,330	4,860	4,146	4,128	4,128
Exceptional items	0	0	0	0	0
EBT	46,220	45,340	61,045	73,253	86,366
Income taxes	11,270	11,980	15,530	18,438	21,738
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	10	10	0	0	0
Reported net profit	34,960	33,370	45,515	54,815	64,627
Adjustments	0	0	0	0	0
Adjusted net profit	34,960	33,370	45,515	54,815	64,627

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	14,100	19,630	24,336	27,847	32,164
Other current liabilities	51,420	61,740	61,740	61,740	61,740
Provisions	1,000	1,550	1,922	2,199	2,540
Debt funds	78,380	1,02,860	1,50,910	1,48,910	1,46,910
Other liabilities	23,260	26,350	26,350	26,350	26,350
Equity capital	890	890	890	890	890
Reserves & surplus	93,040	1,15,350	1,47,210	1,85,581	2,30,820
Shareholders' fund	93,930	1,16,240	1,48,100	1,86,471	2,31,710
Total liab. and equities	2,62,090	3,28,370	4,13,358	4,53,517	5,01,413
Cash and cash eq.	31,920	29,210	4,721	8,154	11,355
Accounts receivables	10,180	10,680	12,451	14,248	16,456
Inventories	1,90,510	2,81,840	3,08,962	3,42,496	3,82,821
Other current assets	20,660	22,170	27,485	31,451	36,325
Investments	6,790	6,510	6,510	6,510	6,510
Net fixed assets	17,370	18,540	16,149	13,579	10,866
CWIP	880	930	930	930	930
Intangible assets	19,800	22,190	22,190	22,190	22,190
Deferred tax assets, net	4,000	2,740	2,740	2,740	2,740
Other assets	10,580	11,220	11,220	11,220	11,220
Total assets	3,12,690	4,06,030	4,13,358	4,53,517	5,01,413

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	16,690	(25,890)	30,927	33,314	35,885
Capital expenditures	(12,480)	(10,540)	(5,000)	(5,000)	(5,000)
Change in investments	(3,280)	280	0	0	0
Other investing cash flows	5,330	4,860	4,146	4,128	4,128
Cash flow from investing	(10,430)	(5,400)	(854)	(872)	(872)
Equities issued/Others	410	(480)	0	0	0
Debt raised/repaid	56,850	49,170	(30,050)	(2,000)	(2,000)
Interest expenses	(6,190)	(9,530)	(10,858)	(10,564)	(10,424)
Dividends paid	(9,790)	(9,790)	(13,654)	(16,445)	(19,388)
Other financing cash flows	(50,690)	(790)	0	0	0
Cash flow from financing	(9,410)	28,580	(54,562)	(29,008)	(31,812)
Chg in cash & cash eq.	(3,150)	(2,710)	(24,489)	3,433	3,201
Closing cash & cash eq.	31,920	29,210	4,721	8,154	11,355

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	39.3	37.5	51.1	61.6	72.6
Adjusted EPS	39.3	37.5	51.1	61.6	72.6
Dividend per share	11.0	11.0	15.3	18.5	21.8
Book value per share	105.5	130.6	166.4	209.5	260.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	6.2	5.3	4.6	4.0	3.5
EV/EBITDA	59.6	56.4	43.0	37.0	32.1
Adjusted P/E	88.3	92.5	67.8	56.3	47.7
P/BV	32.9	26.5	20.8	16.5	13.3

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	75.6	73.6	74.6	74.8	74.8
Interest burden (PBT/EBIT)	98.2	90.7	90.1	91.9	93.2
EBIT margin (EBIT/Revenue)	9.2	8.3	9.6	9.9	9.9
Asset turnover (Rev./Avg TA)	163.4	148.9	170.5	177.8	185.8
Leverage (Avg TA/Avg Equity)	3.3	3.5	2.8	2.4	2.2
Adjusted ROAE	37.2	28.7	30.7	29.4	27.9

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	25.9	18.3	16.6	14.4	15.5
EBITDA	8.5	7.6	32.0	16.1	15.0
Adjusted EPS	7.6	(4.5)	36.4	20.4	17.9
Profitability & Return ratios (%)					
EBITDA margin	10.4	9.4	10.7	10.8	10.8
EBIT margin	9.2	8.3	9.6	9.9	9.9
Adjusted profit margin	6.8	5.5	6.5	6.8	6.9
Adjusted ROAE	32.8	31.8	34.4	32.8	30.9
ROCE	30.4	25.0	24.0	25.0	25.6
Working capital days (days)					
Receivables	7	6	6	6	6
Inventory	136	170	160	155	150
Payables	10	12	13	13	13
Ratios (x)					
Gross asset turnover	20.8	21.0	21.5	21.3	21.7
Current ratio	2.3	1.9	1.5	1.7	1.8
Net interest coverage ratio	7.6	5.2	6.2	7.5	8.9
Adjusted debt/equity	1.1	1.3	1.0	0.8	0.6

Source: Company, BOBCAPS Research | Note: TA = Total Assets

HOLD**TP: Rs 500 | ▼ 2%****KALYAN JEWELLERS**

| Retail

| 19 September 2025

Hyperlocal success; expensive valuation limits upside

- **Third largest player in Indian retail jewellery market; gaining share on successful penetration in non-South market via franchise model**
- **Structural improvement in ROCE profile (from 12.5% in FY22 to 22.9% in FY25) on steep rise in franchise revenue share**
- **Initiate with a HOLD and TP of Rs 500 on expensive valuations, despite sharp spike in employees attrition rate over the past two year**

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

Third largest player in Indian retail jewellery sector: Kalyan is the third largest player in the Indian retail jewellery sector (after Titan and Malabar), in terms of number of stores. It opened its first store in Thrissur, Kerala in 1993, thereafter moving outside Kerala for the first time in 2004. Kalyan has now become a pan-India retail jeweller by following a hyperlocal approach and success of the launch of franchise model (started in 2002). It also operates in the Middle East and USA.

Market share gain on expansion in non-South market via franchise model:

Among the top 5 listed jewellers, Kalyan's revenue market share improved from 22.3% in FY22 to 24.9% in FY25, due to successful penetration in the non-South market through franchise model.

Structural improvement in return ratio profile: Kalyan's ROCE profile improved from 12.5% in FY22 to 22.9% in FY25, due to steep rise in franchise revenue share for Indian operations (from nil in FY22 to 36% in FY25). As per our estimate, Kalyan's ROCE profile improves from 21% for its own store to 33% for franchise store, owing to asset light model (inventory funding is done by franchise partner).

New initiatives to drive TAM and operating efficiencies: Kalyan plans to aggressively expand its presence in lifestyle jewellery category and also plans to launch regional brands in each state to gain market share from unorganised players. The company also plans to bring down its trade payable from 30-35 days at present to 10-12 days in future, which would improve its gross margin and ROCE profile for existing Indian operations.

Initiate with a HOLD and TP of Rs 500 per share: We expect Kalyan EPS to grow at a strong 30.9% CAGR along with healthy ROCE of >25% over FY26-FY28E. However, we initiate our coverage on the stock with a HOLD rating and TP of Rs 500 (valued at 35.0x P/E on Sep'27 EPS) due to expensive valuations (the stock trades at 42.6x on 1YF P/E vs average of 36.9x since IPO), despite sharp spike in its employee attrition rate over the past two years.

Ticker/Price	KALYANKJ IN/Rs 511
Market cap	US\$ 6.0bn
Free float	37%
3M ADV	US\$ 32.8mn
52wk high/low	Rs 795/Rs 399
Promoter/FPI/DII	63%/17%/13%

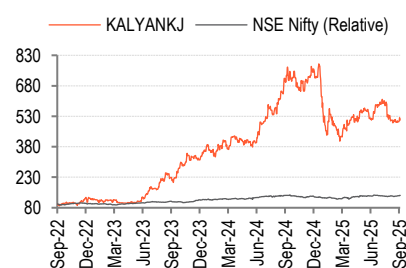
Source: NSE | Price as of 19 Sep 2025

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	3,23,636	4,04,468	4,66,619
EBITDA (Rs mn)	21,336	26,086	30,381
Adj. net profit (Rs mn)	11,065	13,753	16,044
Adj. EPS (Rs)	10.7	13.3	15.6
Consensus EPS (Rs)	10.7	13.3	15.6
Adj. ROAE (%)	21.1	22.0	21.6
Adj. P/E (x)	47.7	38.4	32.9
EV/EBITDA (x)	26.0	21.7	19.0
Adj. EPS growth (%)	54.8	24.3	16.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



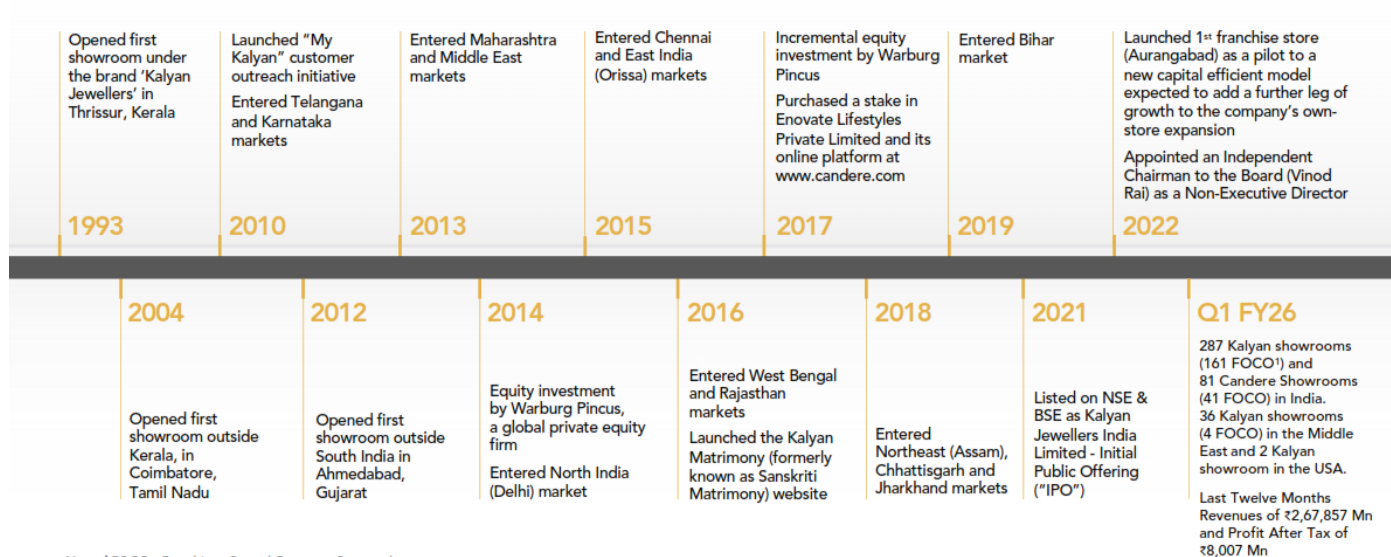
Source: NSE

Investment Rationale

Third largest player with a pan-India presence in Indian retail jewellery

Kalyan is the third largest player in the Indian retail jewellery sector (after Titan and Malabar) in terms of number of stores. It opened its first store in Thrissur, Kerala in 1993, thereafter moving outside Kerala for the first time in 2004. It has now become a pan-India retail jeweller due to hyperlocal approach in terms of a) product-mix (30-40% of inventory maintained as per the preference of local market taste) b) effective branding by appointing national as well as regional brand ambassadors c) created a unique hub and spoke model (My Kalyan network – accounts for 16% of its India revenue in Q1FY26), which aids customer acquisition via door-to-door marketing in close proximity to its stores. It also operates in the Middle East and USA regions.

Fig 1 – Evolution of Kalyan into a pan-India brand



Note: ¹ FOCO - Franchisee Owned Company Operated

Source: Company, BOBCAPS Research

Fig 2 – Kalyan's retail jewellery store presence in India

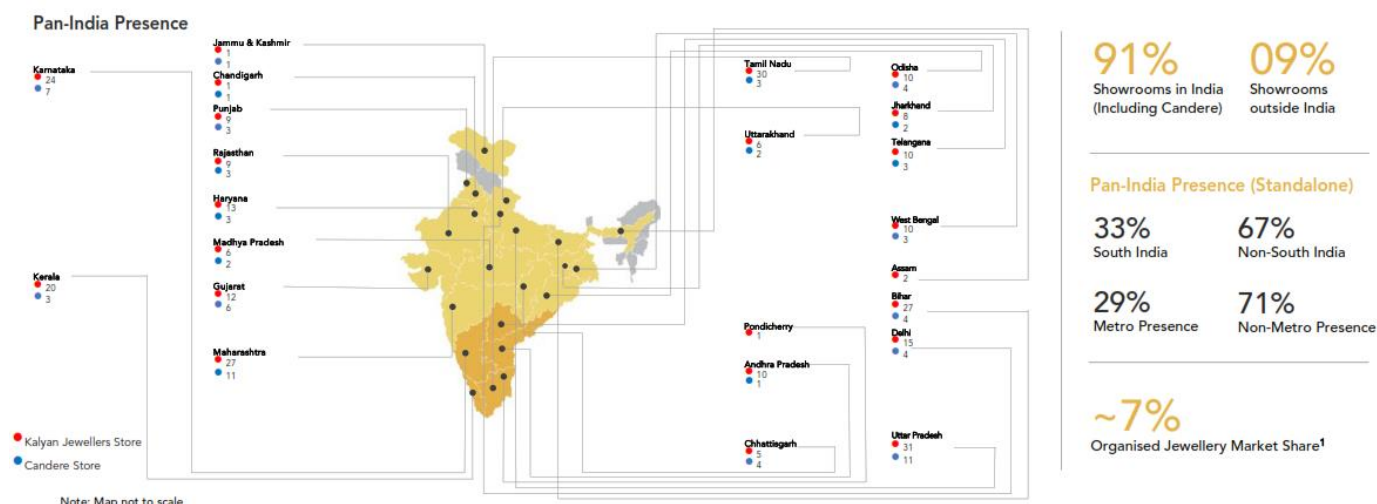
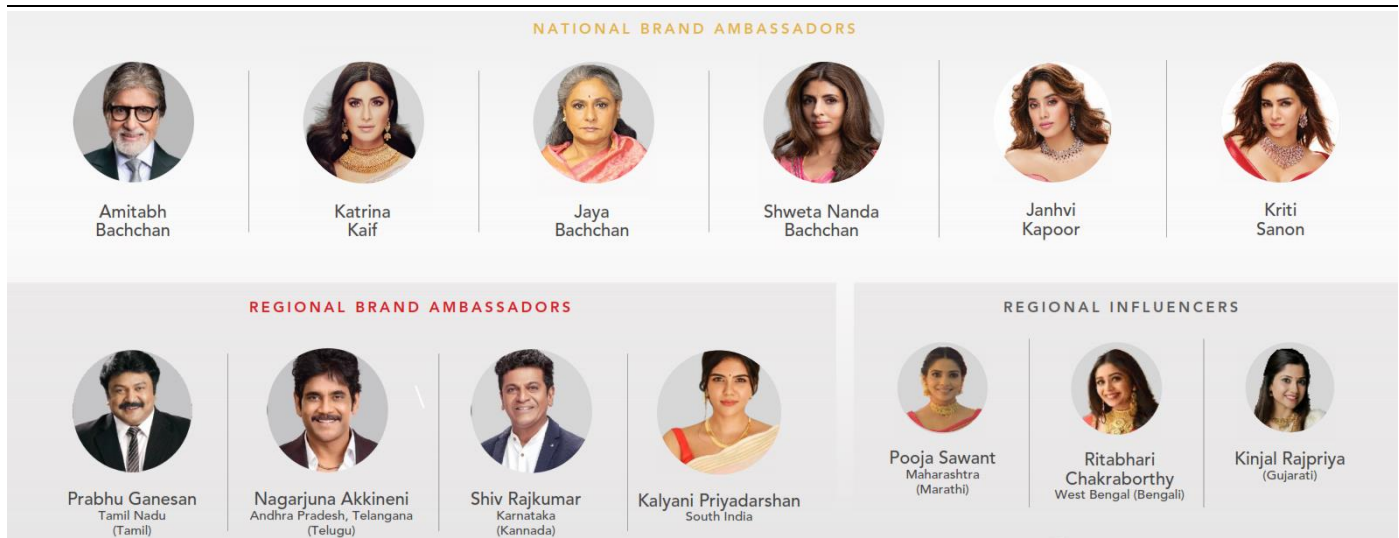


Fig 3 – Kalyan has become a pan-India retail jeweller because of hyperlocal approach


Source: Company, BOBCAPS Research

Fig 4 – Kalyan has an effective branding strategy by appointing national as well as regional brand ambassadors


Source: Company, BOBCAPS Research

Fig 5 – My Kalyan network helps in customer acquisition via door-to-door marketing in close proximity to its stores


Source: Company, BOBCAPS Research

Market share gain on expansion in non-South market via franchise model

Among the top 5 listed jewellers, Kalyan revenue market share improved from 22.3% in FY22 to 24.9% in FY25, due to successful penetration in non-South market through franchise model. The number of Kalyan stores has gone up from 123 stores in FY22 to 287 stores in Q1FY26, due to its entry into the asset light franchisee model (opened 161 franchise stores over FY23-Q1FY26). Going ahead, the company plans to open 90 fine jewellery stores in FY26, mainly through franchisee model.

Fig 6 – Kalyan gains market share among top 5 listed jewellers over FY22-FY25..

Company	FY22	FY23	FY24	FY25
Titan – (Jewellery -SA)	57.3	57.8	55.4	53.6
Kalyan (India)	22.3	21.0	22.8	24.9
PNG (SA)	6.3	8.1	8.8	8.7
Senco (SA)	8.7	7.4	7.6	7.2
Thangamayil	5.4	5.7	5.5	5.6

Source: Company, BOBCAPS Research; SA stands for standalone operations

Fig 7 – ..on aggressive expansion in non-South market through franchise model

Particulars	FY22	FY23	FY24	FY25	Q1FY26
No. of Kalyan stores in India					
Company owned company operated (COCO)	123	132	128	126	126
Franchisee owned company operated (FOCO)	0	15	76	152	161
Total	123	147	204	278	287
Franchise revenue share of Indian operations (%)	-	NA	20.0	36.0	43.0
Revenue break-up of Indian operations					
South	66.0	61.2	51.5	48.1	50.7
Non-South	34.0	38.8	48.5	51.9	49.3
Studded share (%) – Indian operations	22.0	25.0	28.4	30.1	30.2
Adjusted EBITDA margin (%) – Indian operations	7.6	8.1	7.1	6.5*	6.6
Inventory days – Indian operations	191	180	156	128	NA

Source: Company, BOBCAPS Research; *excluding the impact of one-time custom duty impact of Rs1.2bn

Structural improvement in return ratio profile

Kalyan's studded share has gone up from 22% in FY22 to 30.1% in FY25, due to sharp rise in non-South revenue. However, EBITDA margin profile has contracted from 7.6% in FY22 to 6.5% in FY25, due to a steep rise in franchise revenue share (as 60% of gross margin needs to be passed on to franchisee partners to enable them to earn 15% ROCE). This in turn has structurally improved Kalyan's ROCE profile from 12.5% in FY22 to 22.9% in FY25, due to low inventory requirement (from 195 days in FY22 to 141 days in FY25).

Key salient features of franchise model

- **Tenure:** Kalyan enters into an agreement with franchisee partner for 9 years with a minimum lock-in-period of 4 years or early termination, due to breach of contract.
- **Lease model:** The company takes the franchise store premise on its books and then sub-lease to its franchise partner. As a result, the company could continue to run the store operations even in the case of termination of franchise agreement.
- **Capex:** The franchisee partner makes the investment for inventory and store fit-out costs whereas Kalyan manages the operation and borne the employee cost of the store. For South market, Kalyan also bears the store fit-out costs. The franchisee partner needs to maintain gold volume at the initial level during the contract period.
- **Economics:** Franchisee partner would earn PBT margin of 5.25% and ROCE of ~15%, assuming inventory turn of 2.5x. As per our estimate, Kalyan's ROCE profile improves from 21% for its own store to 33% for franchise store due to lower inventory requirement.

Rapid expansion into lifestyle retail jewellery

Kalyan acquired a majority stake in Candere in 2017 to foray into online lifestyle jewellery. The company opened first offline store in FY22 and then aggressively ramped up its offline store count (from 2 in FY23 to 73 in FY25 and target to increase it to 153 by Mar'26) to tap the fast-growing retail lifestyle jewellery category. Segment has reported negative operating profit and ROCE in FY25, due to small scale of operations. However, management expects this segment to become breakeven at PAT level by Q4FY26, given the benefit of operating leverage in future (as seen by its major peers).

Fig 8 – Candere key financials

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25
No. of stores	-	-	-	1	2	13	73
Revenue	305	557	820	1,412	1,567	1,303	1,638
Gross margin	25.6	23.2	20.6	22.6	16.8	21.2	26.9
EBITDA margin	(6.3)	(3.2)	4.0	0.1	(4.5)	(1.9)	(4.1)

Source: Company, BOBCAPS Research

Fig 9 – Caratlane key financials

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25
No. of stores	54	92	118	137	222	272	323
Revenue	4,164	6,212	7,157	12,556	21,688	30,809	41,930
Gross margin	28.6	27.9	30.0	32.6	35.2	32.6	27.4
EBITDA margin	(9.0)	(0.2)	5.1	6.1	8.9	8.2	8.3
PBT margin	(11.1)	(4.4)	0.2	3.1	5.5	3.7	4.8
ROCE	(60.4)	(11.1)	6.7	12.9	19.7	16.5	18.2

Source: Company, BOBCAPS Research

New initiatives to drive TAM and operating efficiencies

Kalyan has recently announced key initiatives that would increase its total addressable market (TAM) size and improve operating efficiency.

- **Regional brand:** Kalyan plans to launch regional brands for every state to target customers with local taste to gain market share from unorganised players. The company is likely to earn lower gross margin and would also avail a lean credit period vs its existing Kalyan store format, but the new regional store format is still likely to generate healthy ROCE of 18-20% due to high inventory turn. The company has already successfully completed a pilot project under the new format and plans to launch its first regional brand by Dec'25 end. Target to open 5 stores over the next 12 months (which would require investment of Rs 3bn for inventory funding) and then, further expansion would be done under the franchise model.
- **Sale of non-core assets:** The company plans to sell non-core real estate (worth ~Rs 2bn) in the near future to fund the launch of regional brand project.
- **Operating efficiencies initiatives:** a) The company plans to bring down its trade payable from 30-35 at present to 10-12 days over the medium term, which would help improve gross margin and ROCE profile for the existing Indian operations. b) Plans to develop a jewellery park in Kerala (which would cater majority of its contract manufacturing requirement for the South market). c) Plans to manufacture own jewellery (vs existing system of procurement from wholesalers or manufacturers), to improve margin profile over the long term (which is not a key focus area in near term).

EPS to grow at a strong 30.9% CAGR over FY25-FY28E

Kalyan revenue is projected to grow at 23% CAGR over FY25-FY28E to be driven by higher revenue across segments (standalone: +23.8% CAGR; Caratlane: +50% CAGR; Middle East: +16.1% CAGR). EBITDA margin is projected to improve from a low base of 6.1% in FY25 to 6.5% in FY28, but it would be lower than the average of 7.5% seen over FY22-FY24 due to high share of franchisee revenue (from 36% in FY25 to 53% in FY28E). PAT is projected to grow at a strong 30.9% CAGR over FY25-FY28E. Net debt/EBITDA is expected to increase from 1.55x in FY25 to 1.82x in FY28E. ROCE is projected to improve from 22.9% in FY25 to 26.2% in FY28E.

Fig 10 – Key assumptions

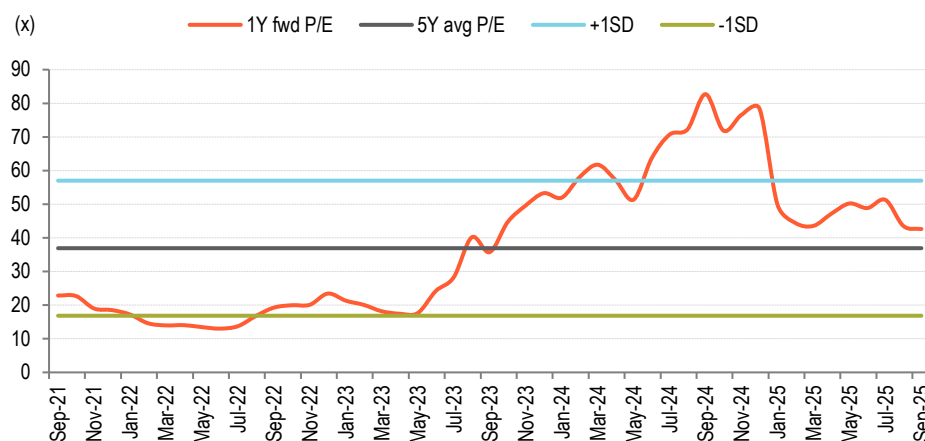
Particulars	FY24	FY25	FY26E	FY27E	FY28E
No. of stores					
India	204	278	368	405	445
- COCO	128	126	132	145	160
- FOCO	76	152	236	260	286
Middle East	36	36	40	44	48
- COCO	35	32	32	32	32
- FOCO	1	4	8	12	16
Candere	13	73	153	168	185
- COCO	5	36	76	84	92
- FOCO	8	37	77	85	93
Total	253	387	561	617	678
- COCO	168	194	240	261	284
- FOCO	85	193	321	356	395
Revenue (Rs bn)	185	250	324	404	467
- India	158	216	283	355	410
- Middle East	26	32	37	44	51
- Candere	1	2	3	5	6
Average revenue per store (Rs mn)					
- India	773	779	769	878	922
- Middle East	732	898	933	1,004	1,057
- Candere	NM	22	22	30	30
EBITDA Margin (%)	7.1	6.1	6.6	6.4	6.5
- India	7.1	5.9	6.6	6.4	6.4
- Middle East	7.6	7.6	7.2	7.4	7.6
- Candere	(1.9)	(4.1)	(0.9)	4.7	5.8
PAT Margin (%)	3.2	2.9	3.4	3.4	3.4
Inventory days	163	141	131	124	128
Franchise revenue share for Indian operations (%)	20.0	36.0	49.2	53.4	53.4
ROCE (%)	21.2	22.9	26.5	26.7	26.2
Net Debt/EBITDA (x)	1.78	1.49	1.55	1.68	1.82

Source: Company, BOBCAPS Research

Valuation Methodology

We expect Kalyan EPS to grow at a strong 30.9% CAGR over FY25-FY28E, along with healthy ROCE of >25% over FY25-FY28E. However, we initiate our coverage on the stock with a HOLD rating and TP of Rs 500 per share (which implies downside potential of 2% from the last close) due to expensive valuations (the stock trades at 42.6x on 1YF P/E vs average of 36.9x since IPO), despite sharp spike in its employee attrition rate over the past two years. Our TP arrived by assigning 35.0x P/E on Sep'27 EPS.

Fig 11 – Kalyan stock trades at 42.6x on 1YF P/E vs average of 36.9x since IPO,...



Source: Company, BOBCAPS Research

Fig 12 – ..despite sharp spike in its employee attrition rate over the past two years

Attrition Rate	FY21	FY22	FY23	FY24	FY25
Male					
Titan	NA	NA	NA	NA	NA
Kalyan	22.1	20.7	22.0	35.9	45.0
PNG	NA	NA	NA	NA	NA
Senco	NA	14.0	17.0	17.0	19.7
Thangamayil	42.0	48.0	23.0	19.0	10.4
Female					
Titan	NA	NA	NA	NA	NA
Kalyan	21.1	49.2	28.8	58.4	86.0
PNG	NA	NA	NA	NA	NA
Senco	NA	21.0	22.0	22.0	28.8
Thangamayil	58.0	52.0	47.0	43.0	15.7
Total					
Titan	5.0	10.0	10.0	6.4	8.6
Kalyan	22.0	24.5	23.1	40.0	52.8
PNG	32.0	20.0	10.0	23.0	NA
Senco	NA	16.0	19.8	19.0	24.2
Thangamayil	32.0	42.0	33.0	29.0	13.1

Source: Company, BOBCAPS Research

Key risks

Key upside/downside risks to our estimates:

- Steep increase in gold price volatility and rising regulatory risks
- Market share loss in Indian retail jewellery due to rise in competitive intensity
- Slower-than-expected rollout of new stores or early termination of franchisee stores

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E
Total revenue	1,85,483	2,50,451	3,23,636	4,04,468	4,66,619
EBITDA	13,127	15,172	21,336	26,086	30,381
Depreciation	2,743	3,427	4,025	4,611	5,198
EBIT	10,384	11,745	17,311	21,474	25,183
Net interest inc./(exp.)	(3,232)	(3,595)	(4,317)	(4,868)	(5,518)
Other inc./(exp.)	737	1,446	1,783	1,760	1,760
Exceptional items	0	0	0	0	0
EBT	7,888	9,596	14,777	18,366	21,425
Income taxes	1,925	2,454	3,720	4,623	5,393
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	11	6	8	10	12
Reported net profit	5,973	7,148	11,065	13,753	16,044
Adjustments	0	0	0	0	0
Adjusted net profit	5,973	7,148	11,065	13,753	16,044

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E
Accounts payables	19,441	23,503	24,297	24,292	25,222
Other current liabilities	23,026	31,315	31,315	31,315	31,315
Provisions	187	356	356	356	356
Debt funds	10,643	9,497	15,272	19,087	22,019
Other liabilities	10,472	15,117	15,117	15,117	15,117
Equity capital	10,301	10,314	10,314	10,314	10,314
Reserves & surplus	31,590	37,721	46,573	57,576	70,411
Shareholders' fund	41,878	48,036	56,880	67,872	80,696
Total liab. and equities	1,05,648	1,27,823	1,43,236	1,58,038	1,74,725
Cash and cash eq.	9,751	10,311	12,503	13,106	10,467
Accounts receivables	3,283	3,999	5,168	6,459	7,451
Inventories	82,976	96,811	1,16,237	1,37,820	1,63,668
Other current assets	2,141	2,872	2,872	2,872	2,872
Investments	0	0	0	0	0
Net fixed assets	10,904	13,056	12,530	11,419	9,721
CWIP	485	77	77	77	77
Intangible assets	11,479	14,795	14,795	14,795	14,795
Deferred tax assets, net	662	1,125	1,125	1,125	1,125
Other assets	5,157	8,213	8,213	8,213	8,213
Total assets	1,26,838	1,51,259	1,73,521	1,95,887	2,18,390

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash flow from operations	11,681	12,428	(2,185)	(1,415)	(922)
Capital expenditures	(6,988)	(8,488)	(3,500)	(3,500)	(3,500)
Change in investments	(1)	(9)	0	0	0
Other investing cash flows	737	1,446	1,783	1,760	1,760
Cash flow from investing	(6,252)	(7,050)	(1,717)	(1,740)	(1,740)
Equities issued/Others	0	14	0	0	0
Debt raised/repaid	(1,835)	(240)	12,624	11,378	8,749
Interest expenses	(3,232)	(3,595)	(4,317)	(4,868)	(5,518)
Dividends paid	(1,236)	(1,547)	(2,213)	(2,751)	(3,209)
Other financing cash flows	806	550	0	0	0
Cash flow from financing	(5,497)	(4,818)	6,094	3,759	22
Chg in cash & cash eq.	(68)	560	2,192	604	(2,640)
Closing cash & cash eq.	9,751	10,311	12,503	13,106	10,467

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26A	FY27E	FY28E
Reported EPS	5.8	6.9	10.7	13.3	15.6
Adjusted EPS	5.8	6.9	10.7	13.3	15.6
Dividend per share	1.2	1.5	2.1	2.7	3.1
Book value per share	40.7	46.6	55.2	65.8	78.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26A	FY27E	FY28E
EV/Sales	3.0	2.2	1.7	1.4	1.2
EV/EBITDA	42.0	36.3	26.0	21.7	19.0
Adjusted P/E	88.2	73.8	47.7	38.4	32.9
P/BV	12.6	11.0	9.3	7.8	6.5

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26A	FY27E	FY28E
Tax burden (Net profit/PBT)	75.7	74.5	74.9	74.9	74.9
Interest burden (PBT/EBIT)	76.0	81.7	85.4	85.5	85.1
EBIT margin (EBIT/Revenue)	5.6	4.7	5.3	5.3	5.4
Asset turnover (Rev./Avg TA)	146.2	165.6	186.5	206.5	213.7
Leverage (Avg TA/Avg Equity)	3.0	3.1	3.1	2.9	2.7
Adjusted ROAE	14.3	14.9	19.5	20.3	19.9

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26A	FY27E	FY28E
YoY growth (%)					
Revenue	31.8	35.0	29.2	25.0	15.4
EBITDA	17.8	15.6	40.6	22.3	16.5
Adjusted EPS	37.9	19.5	54.8	24.3	16.7

Profitability & Return ratios (%)

EBITDA margin	7.1	6.1	6.6	6.4	6.5
EBIT margin	5.6	4.7	5.3	5.3	5.4
Adjusted profit margin	3.2	2.9	3.4	3.4	3.4
Adjusted ROAE	15.3	15.9	21.1	22.0	21.6
ROCE	21.2	22.9	26.5	26.7	26.2

Working capital days (days)

Receivables	6	6	6	6	6
Inventory	163	141	131	124	128
Payables	38	34	27	22	20

Ratios (x)

Gross asset turnover	10.9	12.2	13.5	14.7	15.0
Current ratio	1.8	1.8	1.9	2.1	2.3
Net interest coverage ratio	3.2	3.3	4.0	4.4	4.6
Adjusted debt/equity	0.6	0.5	0.6	0.6	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

BUY**TP: Rs 735 | ▲ 15%****P N GADGIL JEWELLERS** | Retail

19 September 2025

Sparkling growth ahead; Initiate with BUY

- **Fastest growing jewellery brand in India; enjoys superior ROCE profile on better throughput per store and high inventory turn**
- **Strong earnings growth prospect (EPS to grow at 28.1% CAGR) with healthy ROCE profile (>20%) over FY25-FY28E**
- **Initiate with a BUY rating and TP of Rs 735, in anticipation of quick roll out of new stores on strong B/S position over medium-term**

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

Second largest Retail Jeweller in Maharashtra: P N Gadgil Jewellers Ltd (PNG) is the second largest retail jeweller in Maharashtra (accounts for 11.5% of the gold jewellery demand in India) in terms of number of stores, after Tanishq. PNG operates 51 stores (COCO: 39; FOCO: 12) under 'PNG' brand in Q1FY26. It has recently entered the fast-growing lifestyle jewellery category under 'Lifestyle' brand.

Fastest growing Jewellery brand in India: Among top 5 listed retail jewellers, PNG's revenue market share has gone up from 8% in FY20 to 8.7% in FY25, mainly due to fast roll-out of new stores in the Maharashtra market post IPO in Sep'24. Going ahead, the company plans to annually add 10-12 PNG brand large format stores over the next 3 years and diversify its presence in Central and North India markets (Madhya Pradesh, Uttar Pradesh, NCR, Chhattisgarh, Bihar, etc.).

Superior ROCE profile: Despite low share of franchise revenue, PNG ROCE profile appears to be better than major regional peers due to better throughput of COCO store and efficient inventory management. ROCE is projected to improve from 17.8% in FY25 to 22.7% in FY28E in anticipation of higher studded revenue share (from 6.7% in FY25 to 12.0-13.0% in FY28E) and operating leverage benefit.

Strong earnings growth prospects: PNG's EPS is projected to grow at a strong 28.1% CAGR over FY25-FY28E, to be driven by aggressive large format stores rollout (+19.9% CAGR) and improvement in EBITDA margin (from 4.4% in FY25 to 5.7% in FY28E). Net debt to EBITDA ratio is also likely to remain at a comfortable level (at 1.2x in FY28E) over the medium term.

Initiate with BUY and TP of Rs 735: We initiate coverage on PNG with a BUY and TP of Rs 735, considering strong earnings growth prospects (EPS to grow at 28.1% CAGR), along with healthy return ratio (ROCE of >20%) over FY26-FY28E. We believe the company could quickly grow its store count due to strong balance sheet. At CMP, the stock trades at 26.2x on 1YF P/E vs average of 27.8x since IPO. We have valued the stock by assigning 25.0x P/E on Sep'27E EPS.

Ticker/Price	PNGJL IN/Rs 637
Market cap	US\$ 853.4mn
Free float	17%
3M ADV	US\$ 1.9mn
52wk high/low	Rs 835/Rs 474
Promoter/FPI/DII	83%/1%/5%

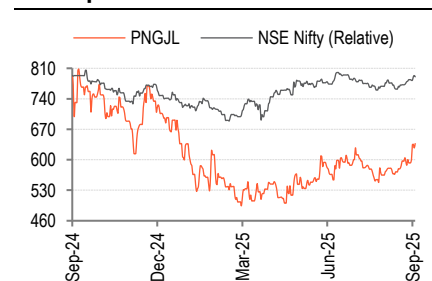
Source: NSE | Price as of 19 Sep 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	75,860	89,401	1,09,611
EBITDA (Rs mn)	3,358	4,950	5,880
Adj. net profit (Rs mn)	2,183	3,052	3,549
Adj. EPS (Rs)	16.1	22.5	26.1
Consensus EPS (Rs)	16.1	22.5	26.1
Adj. ROAE (%)	20.9	17.9	17.4
Adj. P/E (x)	39.6	28.3	24.4
EV/EBITDA (x)	23.1	16.0	13.9
Adj. EPS growth (%)	22.3	39.8	16.3

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



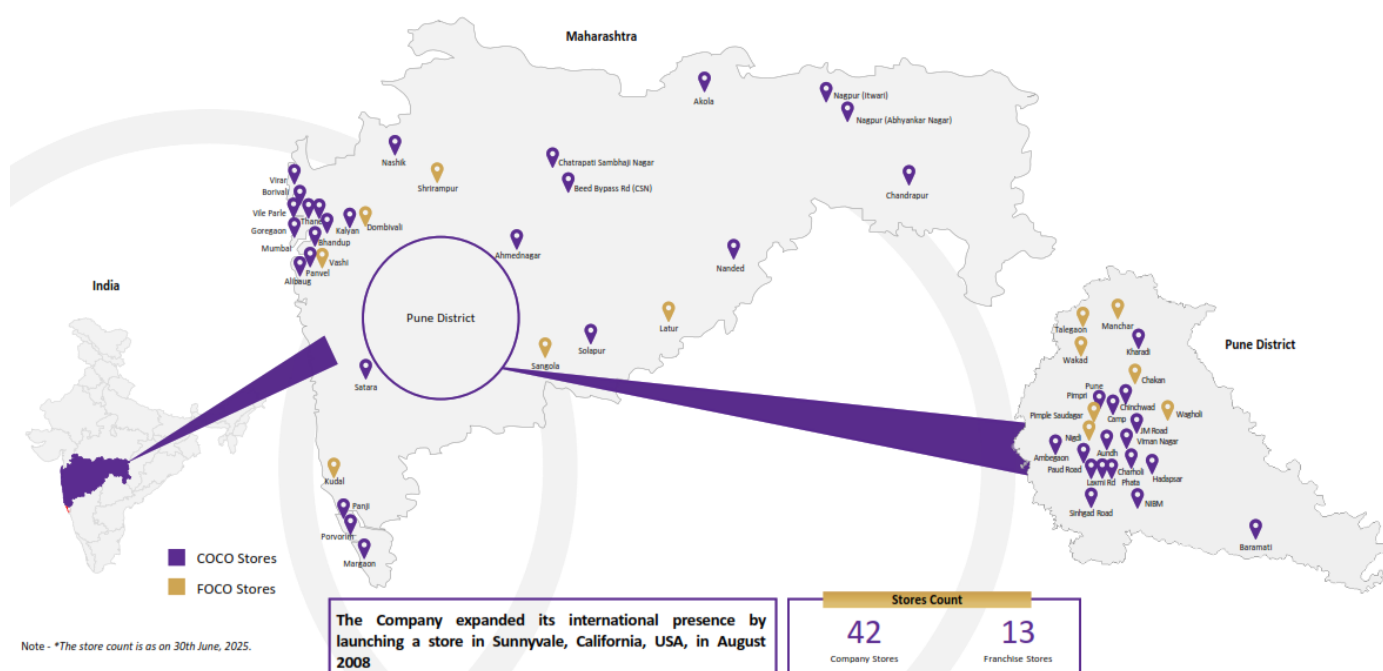
Source: NSE

Investment Rationale

Second largest retail jeweller in Maharashtra

P N Gadgil Jewellers Ltd (PNG) is the second largest retail jeweller in Maharashtra (accounts for 11.5% of gold jewellery demand in India), in terms of number of stores, after Tanishq. PNG is a family-run business with a legacy of over 6 generations since 1832. The company is currently operated by Mr. Saurabh Gadgil (CMD). It operates 51 stores (COCO: 39; FOCO: 12) under the 'PNG' brand in Q1FY26. It has recently entered the fast-growing lifestyle jewellery category and currently operates 4 stores (COCO: 3; FOCO: 1) under 'Lifestyle' brand in this format.

Fig 1 – PNG is the 2nd largest retail jeweller in Maharashtra with a rich legacy since 1932



Source: Company, Bloomberg

Fastest growing Jewellery brands in India

Among top 5 listed retail jewellers, PNG market share has gone up from 8.0% in FY20 to 8.7% in FY25, mainly due to fast rollout of new stores in the Maharashtra market post IPO in Sep'24. Going ahead, the company plans to annually add 10-12 PNG brand large format stores over the next 3 years and diversify its presence in Central and North India markets (Madhya Pradesh, Uttar Pradesh, NCR, Chhattisgarh, Bihar, etc.).

Fig 2 – PNG gains market share among top 5 listed firms, mainly due to..

Revenue market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Titan (SA)*	53.7	53.7	55.8	57.3	57.8	55.4	53.6
Kalyan (India)	24.9	25.2	23.6	22.3	21.0	22.8	24.9
PNG (SA)	8.3	8.0	6.1	6.3	8.1	8.8	8.7
Senco (SA)	8.3	7.8	8.6	8.7	7.4	7.6	7.2
Thangamayil	4.8	5.4	5.9	5.4	5.7	5.5	5.6

Source: Company, BOBCAPS Research; SA stands for standalone; *excludes bullion sales

Fig 3 – ..aggressive expansion of its store presence in core Maharashtra market

Particulars	FY22	FY23	FY24	FY25	Q1FY26
No. of stores					
PNG format (A)	32	34	35	51	51
- COCO	22	21	24	39	39
- FOCO	10	13	11	12	12
Lifestyle format (B)	0	0	1	2	4
- COCO	0	0	1	2	3
- FOCO	0	0	0	0	1
Total no. of stores (A+B)	32	34	36	53	55
- COCO	22	21	25	41	42
- FOCO	10	13	11	12	13
Average revenue per store					
- COCO	905	1,452	1,545	1,317	1,148
- FOCO	219	302	509	696	829
Company retail revenue share (%)	78.4	67.9	63.2	70.2	70.3
Franchise revenue share (%)	8.6	8.8	9.2	10.9	15.7
Studded revenue share (%)	NA	NA	6.3	6.7	10.0
EBITDA margin (%)	4.4	2.7	4.5	4.4	6.4
PAT margin (%)	2.3	1.7	2.6	2.9	4.0

Source: Company, BOBCAPS Research

Healthy ROCE profile on better throughput and efficient inventory management

Despite low share of franchise revenue, PNG ROCE profile appears to be better than major regional peers due to better throughput of COCO store and efficient inventory management. Going ahead, the company targets PAT margin to improve from 2.9% in FY25 to 3.5-4.0% in near term, due to rising share of studded revenue (targeted to improve from 6.7% in FY25 to 12.0-13.0% in near term) and discontinuation of refinery sale from Q3FY25 onwards, which would further enhance its ROCE profile in future.

Fig 4 – PNG enjoys a superior ROCE profile vs major regional listed peers on better throughput and efficient inventory management

Particulars	TJL	SENCO	PNG	KALYAN
Revenue (Rs bn) - FY25	49.1	63.3	75.9	250.5
Revenue CAGR (%) - (FY19-FY25)	22.6	16.9	20.6	17.0
Average EBITDA margin (%) - (FY19-FY25)	5.3	5.8	3.7	6.9
EBITDA margin (%) - FY25	4.5	5.8	4.4	6.1
Stud ratio (%) - FY25	8.0	10.9	6.7	30.1
Franchise revenue share (%) - FY25	0.0	32.0	11.9	36.0
Average ROCE (%) - (FY19-FY25)	17.6	10.7	19.2	14.6
ROCE (%) - FY25	10.8	9.5	17.8	22.9
Average revenue per COCO store (Rs mn) - FY25	800	419	1,742	1091
Inventory per store (Rs mn) - FY25	330	333	577	601
Inventory turn (x) - FY25	2.4	1.3	3.0	1.8

Source: Company, BOBCAPS Research

EPS to grow at a strong 28.1% CAGR over FY25-FY28E

PNG's EPS is projected to grow at a strong 28.1% CAGR over FY25-FY28E to be driven by aggressive large format stores rollout (+19.9% CAGR) and anticipated improvement in EBITDA margin (from 4.4% in FY25 to 5.7% in FY28E due to high studded share and operating leverage benefits). Post IPO, the company has started hedging >80% of its gold inventory by availing gold metal loan (~50%), old gold exchange (~25%) and the remaining through exchange. Net debt to EBITDA ratio is projected to rise from 0.6x in FY25 to 1.2x in FY28E, but it is expected to remain at a comfortable level. ROCE is projected to improve from 17.8% in FY25 to 22.7% in FY28E.

Fig 5 – Key assumptions

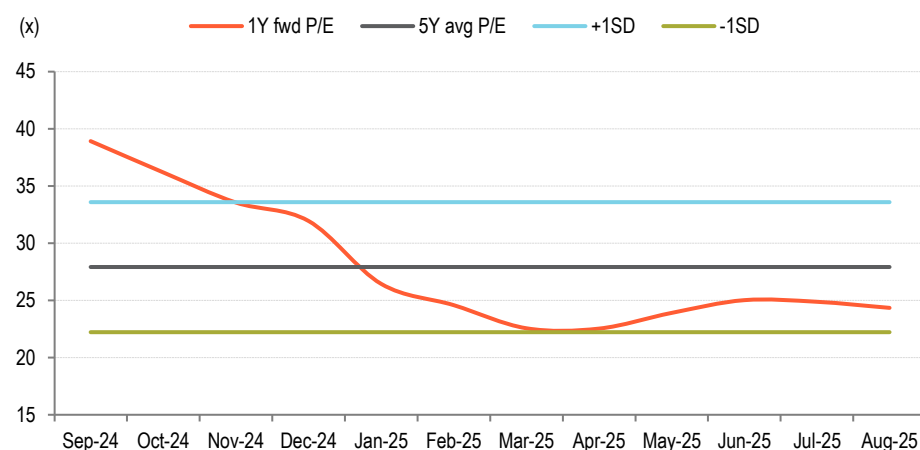
Particulars	FY24	FY25	FY26E	FY27E	FY28E
No. of stores					
PNG format	35	51	64	76	88
- COCO	24	39	48	56	64
- FOCO	11	12	16	20	24
Lifestyle format	1	1	12	19	26
- COCO	1	1	9	15	21
- FOCO	0	0	3	4	5
Total no. of stores	36	52	76	95	114
- COCO	25	40	57	71	85
- FOCO	11	12	19	24	29
Revenue per store (Rs mn)					
COCO	1,545	1,350	1,419	1,516	1,602
FOCO	509	696	712	728	746
Franchise revenue share (%)	9.2	10.9	12.7	13.3	13.7
Revenue (Rs bn)	60.6	75.9	89.4	109.6	131.0
EBITDA margin (%)	4.5	4.4	5.5	5.4	5.7
PAT margin (%)	2.6	2.9	3.4	3.2	3.5
Inventory (days)	58	97	97	97	97
Net debt/EBITDA (x)	1.2	0.6	1.1	1.3	1.2
ROCE (%)	27.9	17.8	22.1	21.6	22.7

Source: Company, BOBCAPS Research

Valuation Methodology

We initiate coverage on PNG with a BUY rating and TP of Rs 735 per share (which implies an upside of 15% from the last close), due to strong earnings growth prospects (EPS to grow at 28.1% CAGR over FY25-FY28E), along with healthy return ratio (ROCE > 20% over FY26-FY28E). We believe the company could grow its store count at a faster pace compared to major regional peers due to a strong balance sheet position. At CMP, the stock trades at 26.2x on 1YF P/E vs average of 27.8x since IPO. We have valued the stock by assigning 25.0x P/E on Sep'27E EPS.

Fig 6 – PNG stock trades at 26.2x on 1YF P/E vs average of 27.8x since IPO



Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- Steep increase in gold price volatility and regulatory risks
- Loss of market share due to a steep rise in competitive intensity in its core Maharashtra market
- Slow rollout and poor ramp-up of new stores

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	60,613	75,860	89,401	1,09,611	1,30,969
EBITDA	2,703	3,358	4,950	5,880	7,516
Depreciation	232	348	453	525	610
EBIT	2,472	3,010	4,498	5,355	6,906
Net interest inc./(exp.)	(459)	(430)	(896)	(1,077)	(1,235)
Other inc./(exp.)	82	351	477	464	464
Exceptional items	0	0	0	0	0
EBT	2,094	2,931	4,079	4,742	6,135
Income taxes	543	748	1,027	1,194	1,544
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	1,551	2,183	3,052	3,549	4,591
Adjustments	0	0	0	0	0
Adjusted net profit	1,551	2,183	3,052	3,549	4,591

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,489	2,557	400	350	350
Other current liabilities	3,247	4,086	3,753	3,447	3,447
Provisions	28	49	90	100	100
Debt funds	3,805	3,352	3,936	4,807	5,728
Other liabilities	578	979	614	628	628
Equity capital	1,180	1,357	1,357	1,357	1,357
Reserves & surplus	4,164	14,182	17,234	20,782	25,373
Shareholders' fund	5,344	15,539	18,591	22,140	26,730
Total liab. and equities	14,492	26,563	27,384	31,471	36,982
Cash and cash eq.	796	6,287	4,075	4,109	5,312
Accounts receivables	378	500	490	601	718
Inventories	9,589	20,209	23,759	29,130	34,805
Other current assets	1,310	688	1,004	900	900
Investments	10	86	86	86	86
Net fixed assets	1,502	1,871	1,918	1,893	1,784
CWIP	35	35	35	35	35
Intangible assets	920	1,344	1,344	1,344	1,344
Deferred tax assets, net	0	0	0	0	0
Other assets	111	422	422	422	422
Total assets	14,651	31,442	33,134	38,521	45,406

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	(27)	(5,491)	(2,270)	(560)	643
Capital expenditures	(570)	(1,142)	(500)	(500)	(500)
Change in investments	2	(77)	0	0	0
Other investing cash flows	82	351	0	0	0
Cash flow from investing	(487)	(867)	(500)	(500)	(500)
Equities issued/Others	0	177	0	0	0
Debt raised/repaid	1,133	4,266	1,455	2,171	2,295
Interest expenses	(459)	(430)	(896)	(1,077)	(1,235)
Dividends paid	0	0	0	0	0
Other financing cash flows	143	7,835	0	0	0
Cash flow from financing	817	11,848	559	1,094	1,059
Chg in cash & cash eq.	303	5,490	(2,211)	34	1,202
Closing cash & cash eq.	796	6,287	4,075	4,109	5,312

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	13.1	16.1	22.5	26.1	33.8
Adjusted EPS	13.1	16.1	22.5	26.1	33.8
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	45.3	114.5	137.0	163.1	197.0

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.3	1.0	0.9	0.7	0.6
EV/EBITDA	28.8	23.1	16.0	13.9	11.1
Adjusted P/E	48.5	39.6	28.3	24.4	18.8
P/BV	14.1	5.6	4.7	3.9	3.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	74.1	74.5	74.8	74.8	74.8
Interest burden (PBT/EBIT)	84.7	97.4	90.7	88.6	88.8
EBIT margin (EBIT/Revenue)	4.1	4.0	5.0	4.9	5.3
Asset turnover (Rev./Avg TA)	413.7	241.3	269.8	284.6	288.4
Leverage (Avg TA/Avg Equity)	2.7	2.0	1.8	1.7	1.7
Adjusted ROAE	29.0	14.0	16.4	16.0	17.2

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	35.0	25.2	17.9	22.6	19.5
EBITDA	120.7	24.2	47.4	18.8	27.8
Adjusted EPS	109.4	22.3	39.8	16.3	29.4

Profitability & Return ratios (%)

EBITDA margin	4.5	4.4	5.5	5.4	5.7
EBIT margin	4.1	4.0	5.0	4.9	5.3
Adjusted profit margin	2.6	2.9	3.4	3.2	3.5
Adjusted ROAE	34.5	20.9	17.9	17.4	18.8
ROCE	27.9	17.8	22.1	21.6	22.7

Working capital days (days)

Receivables	2	2	2	2	2
Inventory	58	97	97	97	97
Payables	9	12	2	1	1

Ratios (x)

Gross asset turnover	33.3	36.1	34.6	35.5	36.5
Current ratio	1.6	2.8	3.6	4.0	4.4
Net interest coverage ratio	5.4	7.0	5.0	5.0	5.6
Adjusted debt/equity	0.6	0.1	0.3	0.3	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

HOLD**TP: Rs 400 | ▲ 7%****SENCO GOLD**

| Retail

| 19 September 2025

Leverage and dull ROCE cap long-term growth prospects

- **Leading retail jeweller in Eastern India with the widest geographical footprint among major peers operating in West Bengal**
- **Strong earnings growth prospect (EPS to grow at 29.6% CAGR) over FY25-FY28E, supported by equity raising program in Dec'24**
- **Initiate with HOLD rating and TP of Rs 400, on slowdown in pace of new stores from FY27 due to high leverage and a weak ROCE profile**

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

Leading Retail Jeweller in Eastern India: Senco is a family-run business with a legacy over eight decades. The company operates 186 stores (COCO: 103; franchise: 76; Sennes: 7) at the end of Jun'25. Among the major regional jewellers operating in West Bengal, Senco has the widest geographical footprint in non-eastern states (forms 18% of its revenue). Senco started expanding its footprint outside West Bengal for the first time in 2010 and now operates in 17 states, 121 cities and 1 store in Dubai.

Market share loss with weak ROCE profile: Among top 5 listed retail jewellers, Senco's revenue market share fell from 8.7% in FY22 to 7.2% in FY25 due to a) limited ability to aggressively grow its COCO stores due to weak balance sheet (net debt to EBITDA of 2.5-3.2x over FY22-FY25); and b) decline in franchise revenue share (from 35.6% in FY22 to 32.0% in FY25). The company's ROCE profile also appears to be weak vs its major peers given the low inventory turn. Furthermore, Senco's inventory period has been steadily going up over the past decade (from 91 days in FY15 to 144 days in FY22 and 190 days in FY25).

Strong earnings growth prospect: Senco's EPS is projected to grow at a strong 29.6% CAGR over FY25-FY28E, mainly to be driven by new stores addition (+8.9% CAGR) and anticipated improvement in EBITDA margin (from a weak base of 5.8% in FY25 to 7.0% in FY28E, due to rising share of studded revenue).

Initiate with a HOLD rating and TP of Rs 400: Senco's EPS is projected to grow at a strong 29.6% CAGR over FY25-FY28E, but we initiate coverage on the stock with a HOLD rating and TP of Rs 400 per share, as we believe a) the pace of new COCO store addition would slow down from FY27 onwards due to levered balance sheet position (net debt/EBITDA to be 2.6x-2.7x in FY27-FY28) and weak ROCE profile (12.6-12.8% over FY27-FY28). Senco's valuation multiple has got significantly de-rated over the past one year due to loss of market share. At CMP, the stock trades at 19.9x on 1YF P/E vs avg of 31.0x since IPO. Our TP has arrived by assigning 20x P/E on Sep'27E.

Ticker/Price	SENCO IN/Rs 373
Market cap	US\$ 693.5mn
Free float	36%
3M ADV	US\$ 3.1mn
52wk high/low	Rs 547/Rs 227
Promoter/FPI/DII	64%/7%/13%

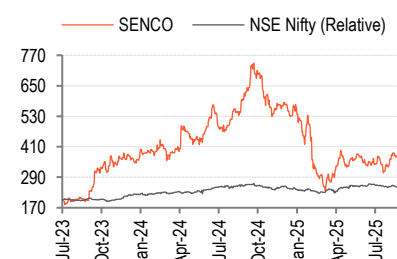
Source: NSE | Price as of 19 Sep 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	63,281	77,197	88,374
EBITDA (Rs mn)	3,676	5,813	6,048
Adj. net profit (Rs mn)	1,593	3,059	3,031
Adj. EPS (Rs)	9.7	18.7	18.5
Consensus EPS (Rs)	14.6	21.5	28.5
Adj. ROAE (%)	9.6	14.5	12.7
Adj. P/E (x)	38.3	20.0	20.2
EV/EBITDA (x)	19.5	12.6	12.5
Adj. EPS growth (%)	(10.0)	92.0	(0.9)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



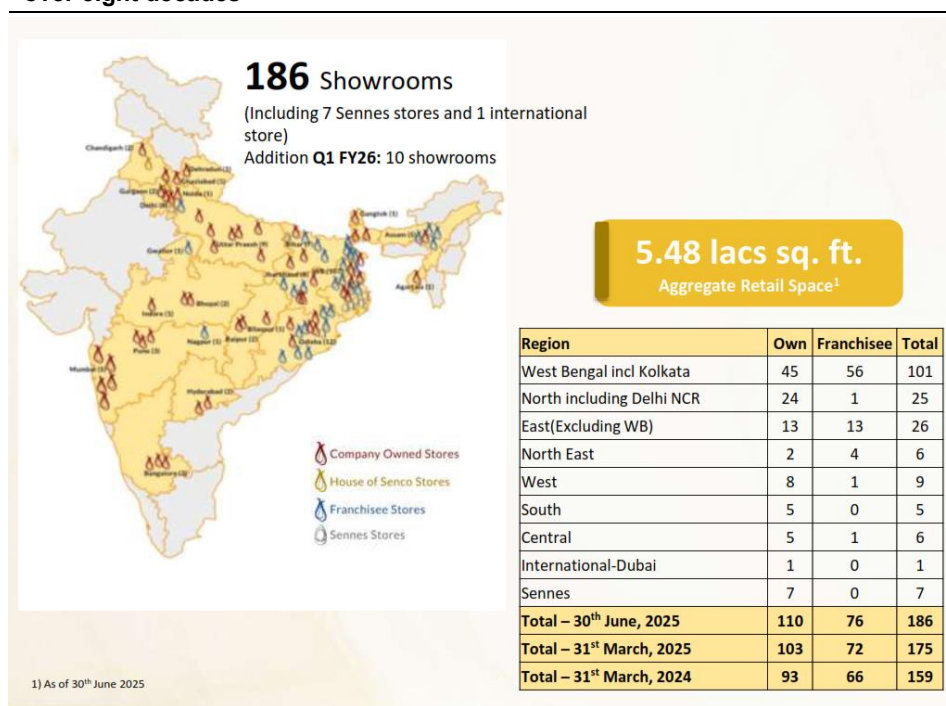
Source: NSE

Investment Rationale

Leading Retail Jeweller in Eastern India

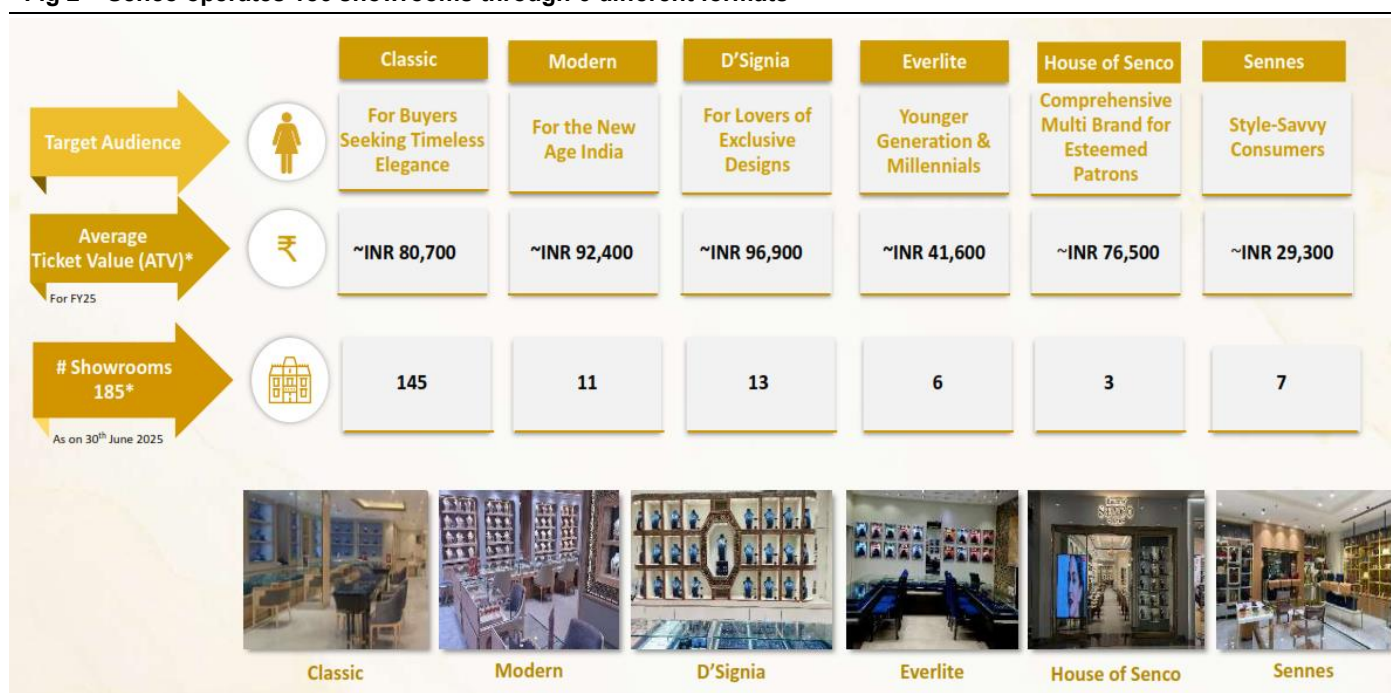
Senco is the leading retail jeweller in Eastern India (accounting for 15% of Indian gold jewellery market), based on the number of stores. The company derives 81.8% of its revenue from the eastern region in FY25. Senco is a family-run business with a legacy over eight decades. The company is currently operated by fourth generation entrepreneur Mr. Suvankar Sen (MD & CEO). The company operates 186 stores (COCO: 103; franchise: 76; Sennes: 7) through various formats (Classic: the traditional jewellery store format; D'Signia: exclusive designs for premium and HNI customers; House of Senco: a super luxury store format; Everlite: for the young generation and millennials; Modern: for upcoming geographies; and Sennes: for lifestyle, LGD, and accessories).

Fig 1 – Senco is the leading Retail Jeweller in Eastern India with a rich legacy over eight decades



Source: Company, BOBCAPS Research

Fig 2 – Senco operates 186 showrooms through 6 different formats



Source: Company, BOBCAPS Research

Widest geographical footprint among Eastern region jewellers

Among the major regional retail jewellers (PC Chandra Jewellers, MP Jewellers, Anjali Jewellers) operating in West Bengal, Senco has the widest geographical footprint in the non-eastern states (forms 18% of its revenue). Senco started expanding footprint outside West Bengal for the first time in 2010 and now operates in 17 states, 121 cities and 1 store in Dubai. While entering a new state, the company first opens a store in a key city through COCO format and then expands presence in Tier 2/3/4 cities through franchise route (accounts for 32% of its revenue). Going ahead, Senco plans to open 20 stores p.a., of which 50-70% is expected to come under franchisee route.

Fig 3 – Senco stores expansion profile

Particulars	FY21	FY22	FY23	FY24	FY25
No. of stores					
COCO	60	70	75	93	98
Franchise	52	57	61	66	72
International	0	0	0	0	1
Sennes	0	0	0	0	4
Total	112	127	136	159	175
Revenue break-up (%)					
COCO	61.9	62.0	65.2	64.0	63.0
Franchisee	34.2	35.6	31.5	31.0	32.0
Others	3.9	2.5	3.4	5.0	5.0
Stores break-up by region-wise (%)					
West Bengal	61.6	63.0	62.5	58.5	57.9
East (excl WB)	12.5	11.8	12.5	13.8	14.6
North East	4.5	3.9	4.4	3.8	3.5
North	14.3	15.0	14.0	13.8	14.0

Particulars	FY21	FY22	FY23	FY24	FY25
Central	0.0	0.0	0.0	2.5	2.9
West	4.5	3.9	4.4	4.4	4.1
South	2.7	2.4	2.2	3.1	2.9
Revenue break-up (%) by region-wise					
Eastern India	84.0	84.8	81.5	82.0	81.8
Others	16.0	15.2	18.5	18.0	18.2

Source: Company, BOBCAPS Research

Senco's market share fell from 8.7% in FY22 to 7.2% in FY25

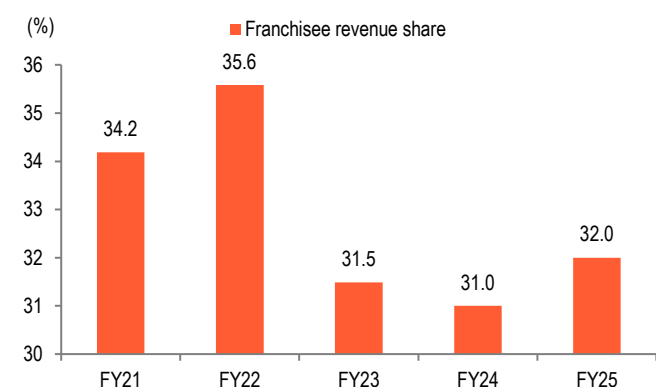
Senco stores count (excl Sennes) grew at a healthy pace of 10.4% CAGR over FY22-FY25, supported by three rounds of equity raising program (raised Rs 0.75bn from Oman India Joint Investment Fund in Apr'22; Rs 2.7bn through IPO in Jul'23, Rs 4.6bn through QIP in Dec'24). However, the company's revenue market share among top 5 listed retail jewellers fell from 8.7% in FY22 to 7.2% in FY25, due to a) limited ability to aggressively grow its COCO stores given a weak balance sheet (net debt to EBITDA of 2.5-3.2x over FY22-FY25); b) decline in franchise revenue share (from 35.6% in FY22 to 32.0% in FY25).

Fig 4 – Senco loses market share among top 5 players over FY22-FY25 due to..

Company	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Titan (SA)*	53.7	53.7	55.8	57.3	57.8	55.4	53.6
Kalyan (India)	24.9	25.2	23.6	22.3	21.0	22.8	24.9
PNG (SA)	8.3	8.0	6.1	6.3	8.1	8.8	8.7
Senco (SA)	8.3	7.8	8.6	8.7	7.4	7.6	7.2
Thangamayil	4.8	5.4	5.9	5.4	5.7	5.5	5.6

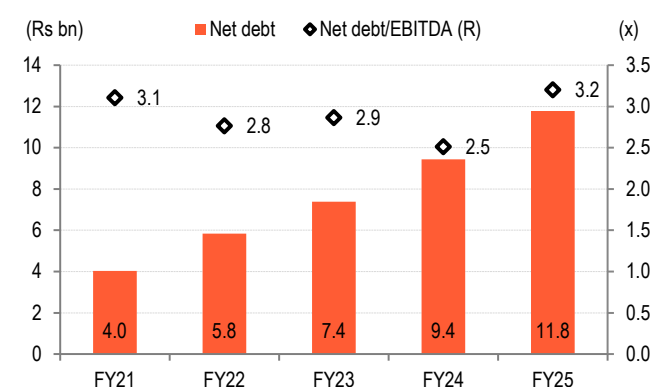
Source: Company, BOBCAPS Research. SA stands for standalone operations; *excludes bullion sales

Fig 5 – ..decline in franchise revenue share from 35.6% in FY22 to 32.0% in FY25 and..



Source: Company, BOBCAPS Research

Fig 6 – ... limited ability to aggressively grow its own stores from internal accrual on high leverage



Source: Company, BOBCAPS Research

Weak ROCE profile on low inventory turn

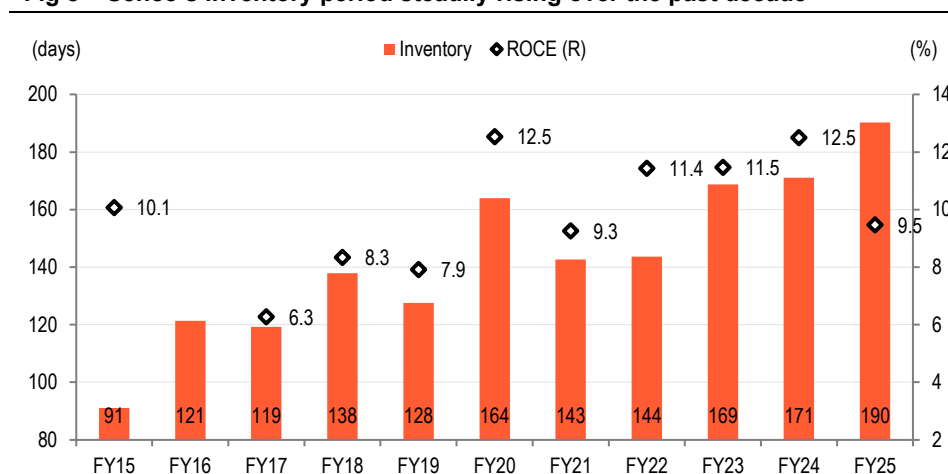
Senco enjoys high share of franchisee revenue and superior EBITDA margin profile vs listed regional players (PNG & Thangamayil). However, ROCE profile appears to be weak vs its major peers due to low inventory turn. Furthermore, Senco's inventory period has been steadily going up over the past decade (from 91 days in FY15 to 144 days in FY22 and 190 days in FY25).

Fig 7 – SENCO's ROCE profile is inferior to major peers on low inventory turn

Particulars	TJL	SENCO	PNG	KALYAN
Revenue (Rs bn) - FY25	49.1	63.3	75.9	250.5
Revenue CAGR (%) - (FY19-FY25)	22.6	16.9	20.6	17.0
Average EBITDA margin (%) - (FY19-FY25)	5.3	5.8	3.7	6.9
EBITDA margin (%) - FY25	4.5	5.8	4.4	6.1
Stud ratio (%) - FY25	8.0	10.9	6.7	30.1
Franchise revenue share (%) - FY25	0.0	32.0	11.9	36.0
Average ROCE (%) - (FY19-FY25)	17.6	10.7	19.2	14.6
ROCE (%) - FY25	10.8	9.5	17.8	22.9
Average revenue per COCO store (Rs mn) - FY25	800	419	1742	1091
Inventory per store (Rs mn) - FY25	330	333	577	601
Inventory turn (x) - FY25	2.4	1.3	3.0	1.8

Source: Company, BOBCAPS Research

Fig 8 – Senco's inventory period steadily rising over the past decade



Source: Company, BOBCAPS Research

Senco's EPS to grow at a strong 29.6% CAGR over FY25-FY28E

Senco's EPS is projected to grow at a strong 29.6% CAGR over FY25-FY28E mainly to be driven by new stores addition (+8.9% CAGR) and anticipated improvement in EBITDA margin (from a weak base of 5.8% in FY25 to 7.0% in FY28E, due to rising share of studded revenue). The company has a policy to hedge more than 50% of its gold inventory through gold metal loans and forward contracts. Despite recent equity raising of Rs 4.6bn in Dec'24, net debt/EBITDA ratio is projected to remain at a high level at 2.6-2.7x in FY27-FY28. Senco is also likely to operate at a moderate ROCE of 12.6-12.8% over FY27-FY28.

Fig 9 – Key assumptions

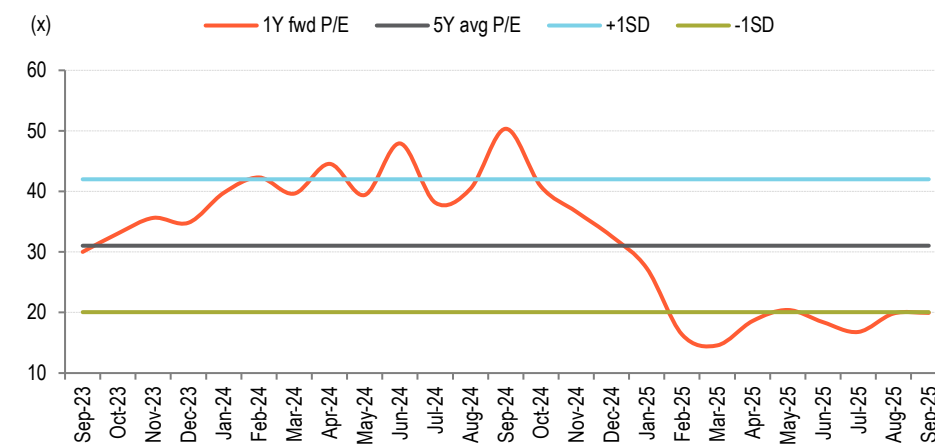
Particulars	FY24	FY25	FY26E	FY27E	FY28E
No. of stores					
COCO	93	98	108	116	122
Franchise	66	72	82	90	98
International	0	1	1	1	1
Total (excl Sennes)	159	171	191	207	221
Revenue per store (Rs mn)					
COCO	361	407	443	468	492
Franchise	246	281	311	329	347
Franchise revenue share (%)	31.0	32.0	33.0	33.6	34.4
Revenue (Rs bn)	40.8	52.4	63.3	77.2	88.4
EBITDA margin (%)	7.2	5.8	7.5	6.8	7.0
PAT margin (%)	3.2	2.5	4.0	3.4	3.5
Inventory (days)	171	190	177	179	182
Net debt/EBITDA (x)	2.5	3.2	2.2	2.6	2.7
ROCE (%)	12.5	9.5	13.9	12.6	12.8

Source: Company, BOBCAPS Research

Valuation Methodology

Senco's EPS is projected to grow at a strong 29.6% CAGR over FY25-FY28E, but we initiate coverage on the stock with a HOLD rating and TP of Rs 400 per share (which implies 8% upside from the last close), as we believe a) the pace of new COCO store addition would slow down from FY27 onwards, because of a levered balance sheet position (net debt/EBITDA to be 2.6x-2.7x in FY27-FY28) b) weak ROCE profile (12.6-12.8% over FY27-FY28). Valuation multiple has got significantly de-rated over the past one year due to loss of market share. At CMP, the stock trades at 19.9x on 1YF P/E vs avg of 31.0x since IPO. Our TP has arrived by assigning 20x P/E on Sep'27E.

Fig 10 – Senco stock trades at 19.9x on 1YF P/E vs average of 31.0x since IPO



Source: Company, BOBCAPS Research

Key risks

Key upside/downside risks to our estimates are:

- Steep increase in volatility in gold price and regulatory risks
- Loss of market share due to steep rise in competitive intensity in its core West Bengal market
- Slower than expected pace of new store addition and ramp up
- Sharp increase in franchise revenue share would be a key upside risk

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	52,414	63,281	77,197	88,374	98,970
EBITDA	3,755	3,676	5,813	6,048	6,902
Depreciation	601	681	749	826	851
EBIT	3,154	2,995	5,064	5,222	6,050
Net interest inc./(exp.)	(1,211)	(1,362)	(1,650)	(1,832)	(2,072)
Other inc./(exp.)	422	546	681	660	660
Exceptional items	0	0	0	0	0
EBT	2,365	2,179	4,096	4,050	4,638
Income taxes	685	586	1,036	1,019	1,167
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	1,680	1,593	3,059	3,031	3,471
Adjustments	0	0	0	0	0
Adjusted net profit	1,680	1,593	3,059	3,031	3,471

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	2,069	1,516	1,850	2,118	2,372
Other current liabilities	3,909	5,865	5,865	5,865	5,865
Provisions	2,532	49	49	49	49
Debt funds	14,956	17,690	18,979	21,725	24,329
Other liabilities	4,701	2,640	2,640	2,640	2,640
Equity capital	777	818	818	818	818
Reserves & surplus	12,878	18,885	21,616	24,320	27,381
Shareholders' fund	13,655	19,703	22,435	25,138	28,200
Total liab. and equities	41,821	47,464	51,818	57,535	63,454
Cash and cash eq.	5,514	5,909	5,949	5,797	5,976
Accounts receivables	529	810	989	1,132	1,267
Inventories	24,570	32,993	37,378	43,430	49,386
Other current assets	4,560	2,780	2,780	2,780	2,780
Investments	0	0	0	0	0
Net fixed assets	1,158	1,376	1,127	801	449
CWIP	15	20	20	20	20
Intangible assets	2,462	2,670	2,670	2,670	2,670
Deferred tax assets, net	228	418	418	418	418
Other assets	2,785	487	487	487	487
Total assets	41,821	47,463	51,817	57,535	63,454

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	(2,472)	(4,864)	547	(899)	(103)
Capital expenditures	(1,309)	(1,113)	(500)	(500)	(500)
Change in investments	0	0	0	0	0
Other investing cash flows	422	546	681	660	660
Cash flow from investing	(886)	(567)	181	160	160
Equities issued/Others	92	31	0	0	0
Debt raised/repaid	3,188	2,734	1,289	2,746	2,604
Interest expenses	(1,211)	(1,362)	(1,650)	(1,832)	(2,072)
Dividends paid	(311)	(164)	(327)	(327)	(409)
Other financing cash flows	2,739	4,587	0	0	0
Cash flow from financing	4,497	5,827	(689)	587	122
Chg in cash & cash eq.	1,138	395	40	(152)	179
Closing cash & cash eq.	5,514	5,909	5,949	5,797	5,976

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	10.8	9.7	18.7	18.5	21.2
Adjusted EPS	10.8	9.7	18.7	18.5	21.2
Dividend per share	2.0	1.0	2.0	2.0	2.5
Book value per share	87.9	120.4	137.1	153.6	172.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.3	1.1	1.0	0.9	0.8
EV/EBITDA	18.5	19.5	12.6	12.5	11.3
Adjusted P/E	34.5	38.3	20.0	20.2	17.6
P/BV	4.2	3.1	2.7	2.4	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	71.0	73.1	74.7	74.8	74.8
Interest burden (PBT/EBIT)	75.0	72.7	80.9	77.6	76.7
EBIT margin (EBIT/Revenue)	6.0	4.7	6.6	5.9	6.1
Asset turnover (Rev./Avg TA)	125.3	133.3	149.0	153.6	156.0
Leverage (Avg TA/Avg Equity)	3.1	2.4	2.3	2.3	2.3
Adjusted ROAE	12.3	8.1	13.6	12.1	12.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	28.5	20.7	22.0	14.5	12.0
EBITDA	45.7	(2.1)	58.1	4.0	14.1
Adjusted EPS	70.9	(10.0)	92.0	(0.9)	14.5

Profitability & Return ratios (%)

EBITDA margin	7.2	5.8	7.5	6.8	7.0
EBIT margin	6.0	4.7	6.6	5.9	6.1
Adjusted profit margin	3.2	2.5	4.0	3.4	3.5
Adjusted ROAE	14.5	9.6	14.5	12.7	13.0
ROCE	12.5	9.5	13.9	12.6	12.8

Working capital days (days)

Receivables	4	5	5	5	5
Inventory	171	190	177	179	182
Payables	14	9	9	9	9

Ratios (x)

Gross asset turnover	14.1	22.7	23.7	23.5	23.3
Current ratio	1.5	1.7	1.8	1.8	1.8
Net interest coverage ratio	2.6	2.2	3.1	2.9	2.9
Adjusted debt/equity	0.7	0.6	0.6	0.6	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

HOLD**TP: Rs 2,050 | ▼ 5%****THANGAMAYIL
JEWELLERY**

| Retail

| 19 September 2025

Deep roots in Tamil Nadu; Growth visibility priced in

- **Leading retail jeweller in Tier 2/3 and rural areas of Tamil Nadu — the largest gold jewellery consuming state in India**
- **Strong earnings growth prospect (EPS to grow at 30.9% CAGR) with healthy ROCE profile (~15%) over FY26-FY28E**
- **Initiate with a HOLD rating and TP of Rs 2,050 on slowdown in pace of new stores from FY27, due to high leverage and asset heavy model**

Utkarsh Nopany

+91 22 6138 9343

utkarsh.nopany@bobcaps.in

Strong presence in Tamil Nadu: TJL is a family-run business with a long track record of operations in retail jewellery in Tamil Nadu (which is the largest gold jewellery consuming state in India with a share of ~13-14%) since 1947. It operates 62 COCO stores at the end of Jun'25 (large format – 52; small format – 10) with a major focus towards Tier 2 / 3 cities and rural areas in western and southern parts of Tamil Nadu. Post equity raising of Rs 5.1bn in Mar'25, the company plans to step up its store expansion (from annual run rate of 3 stores over FY22-FY25 to 10 stores in FY26) and diversify its presence in the North and East parts of Tamil Nadu.

Relatively stable market share in a highly competitive environment: Despite concentration of operations in a single state and nil reliance on franchise model, TJL has been able to maintain its revenue market share at around 5.5% level over FY20-FY25, among the top 5 listed firms. We believe this is due to relatively less competition from the organised players as majority of its business operations are focused on Tier 2 / Tier 3 cities and the rural areas in Tamil Nadu.

Superior return ratio profile on higher inventory turn: TJL EBITDA margin profile is weaker compared to major listed peers, due to higher share of plain gold jewellery and low share of studded revenue. However, the company enjoys a healthy ROCE profile (>15%) due to better inventory turn.

Strong earnings growth prospect: TJL's PAT is projected to grow at a strong 30.9% CAGR over FY25-FY28E to be driven by stores expansion (10.0% CAGR) and improvement in EBITDA margin (from a weak base of 4.5% in FY25 to historical average level at 5.3% in FY28).

Initiate with HOLD and TP of Rs 2,050: We initiate our coverage with a HOLD rating and TP of Rs 2,050 (valued at 25x P/E on Sep'27E) as we believe a) the pace of its store addition is likely to slow down from FY27 onwards due to nil reliance on franchise model, and leverage balance sheet profile (net debt to EBITDA is projected at 2.3-2.6x in FY27-FY28); and b) expensive valuations (the stock trades at 30.7x on 1YF P/E vs 5Y avg of 25.2x).

Ticker/Price	TJL IN/Rs 2,155
Market cap	US\$ 760.1mn
Free float	39%
3M ADV	US\$ 0.9mn
52wk high/low	Rs 2,650/Rs 1,523
Promoter/FPI/DII	62%/4%/15%

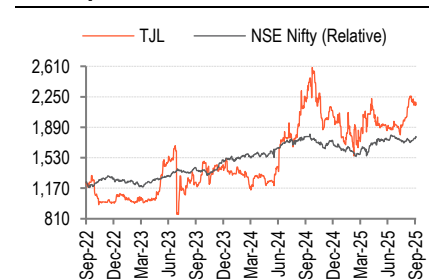
Source: NSE | Price as of 19 Sep 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	49,106	64,561	76,978
EBITDA (Rs mn)	2,190	3,386	4,109
Adj. net profit (Rs mn)	1,187	1,973	2,425
Adj. EPS (Rs)	38.2	63.5	78.0
Consensus EPS (Rs)	16.5	22.7	27.3
Adj. ROAE (%)	14.9	16.7	17.9
Adj. P/E (x)	56.4	33.9	27.6
EV/EBITDA (x)	32.6	21.5	18.3
Adj. EPS growth (%)	(15.0)	66.2	22.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



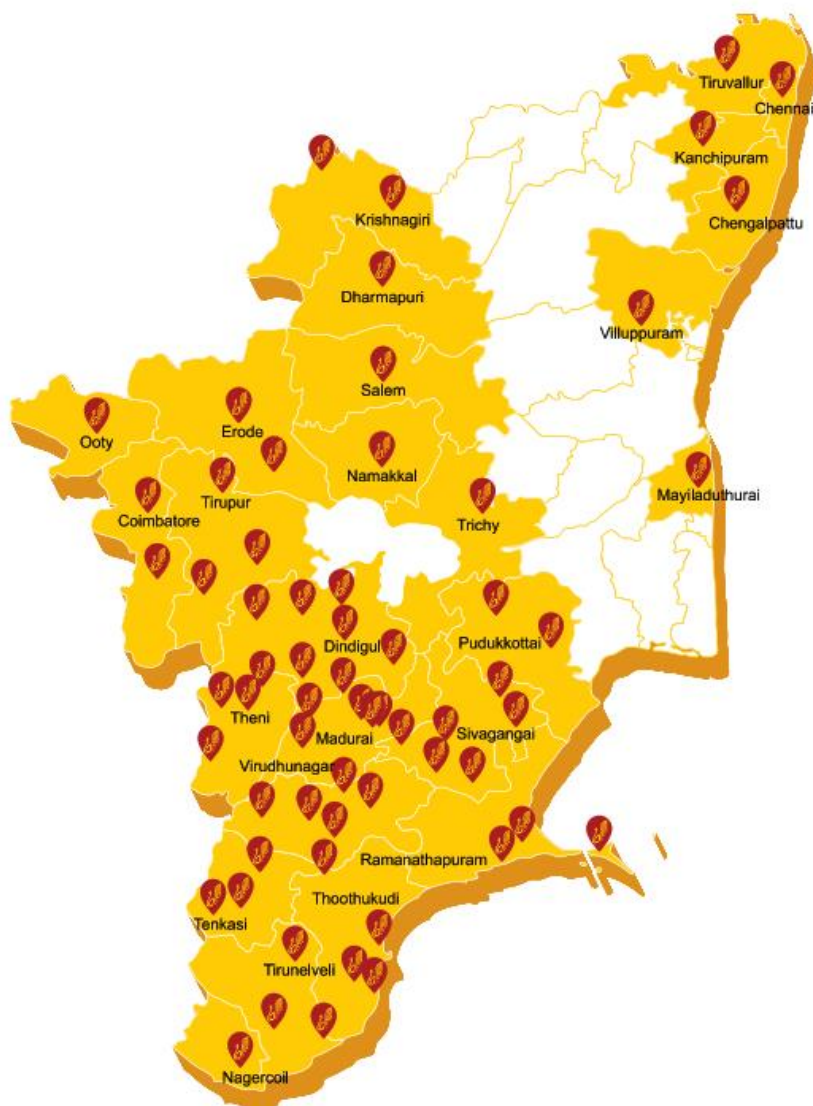
Source: NSE

Investment Rationale

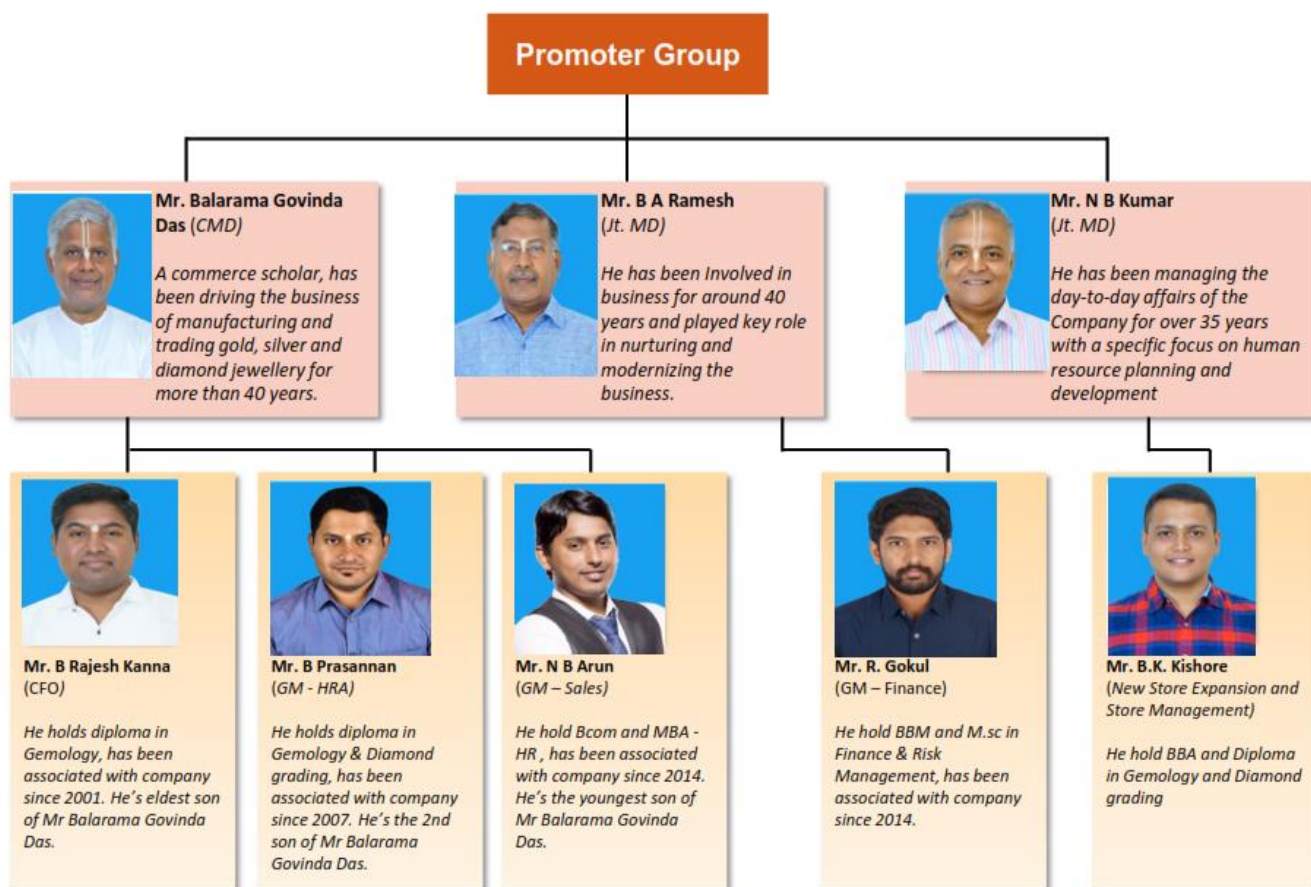
Strong presence in Tamil Nadu

TJL is a family-run business with a long track record of operations in retail jewellery in Tamil Nadu (which is the largest gold consuming state in India with a share of ~13-14%) since 1947. Post its IPO, the company significantly increased its store count from 7 stores in FY10 to 31 stores in FY14 with major focus on Tier 2 / 3 cities and rural areas in western and southern parts of Tamil Nadu. Thereafter, the company's store count remained almost stagnant till FY18, given the weak macro environment and unfavourable government regulations. The company resumed its store expansion from FY19 onwards with an annual net addition of 3 large format stores. The company also opened 13 TMJL plus small format stores (with area of 150-200 sq. ft.) in FY22, which acts as a collection centre for customer deposits schemes and a referral centre for near-by large stores. The company has converted 3 small format stores into normal stores in FY24, based on their improved performance. It operates 62 COCO stores at the end of Jun'25 (large format – 52; small format – 10).

Fig 1 – TJL is a leading Retail Jeweller in non-metro areas of Tamil Nadu



Source: Company, BOBCAPS Research

Fig 2 – TJL is a family-run business with a long track record of operations since 1947


Source: Company, BOBCAPS Research

TJL market share relatively stable in a highly competitive environment

Despite concentration of operations in a single state and nil reliance on franchise model, TJL has been able to maintain its revenue market share at around 5.5% level over the past few years among the top 5 listed firms. We believe this is due to relatively less competition from the organised players as majority of its business operations are focused on Tier 2 / Tier 3 cities and the rural areas of Tamil Nadu. Going ahead, we believe the company would be able to protect its market share as it plans to expedite store addition (plans to open 10 new stores in FY26 supported by right issue program of Rs 5.1bn in Mar'25 versus historical annual run rate of 3-4 new stores). Majority of new stores is planned to come in and around Chennai market, which would widen its geographical presence to the northern and eastern parts of Tamil Nadu in near term.

Fig 3 – Among top 5 firms, TJL market share relatively stable over FY20-FY25

Revenue market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Titan (SA)*	53.7	53.7	55.8	57.3	57.8	55.4	53.6
Kalyan (India)	24.9	25.2	23.6	22.3	21.0	22.8	24.9
PNG (SA)	8.3	8.0	6.1	6.3	8.1	8.8	8.7
Senco (SA)	8.3	7.8	8.6	8.7	7.4	7.6	7.2
Thangamayil	4.8	5.4	5.9	5.4	5.7	5.5	5.6

Source: Company, BOBCAPS Research; *excluding bullion sales; SA stands for standalone operations

Healthy ROCE profile on better inventory management

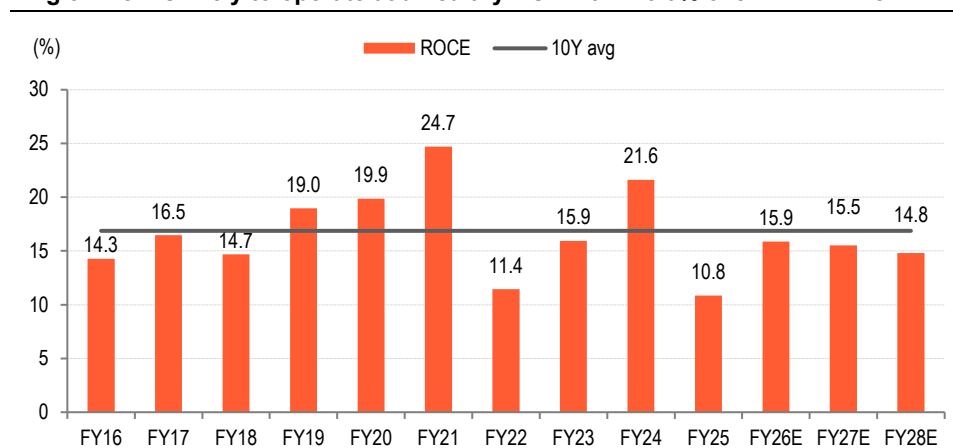
TJL EBITDA margin profile is weaker vs its major listed peers, owing to higher share of plain gold jewellery and low share of studded revenue. However, the company has a healthy ROCE profile due to better inventory turn. Going ahead, the company expects its operating margin to improve in anticipation of a) increase in studded ratio due to expansion into metros and Tier 1 cities b) lesser discounts / rebates offered under the Advance Purchase Scheme or Digigold customers, and c) operating leverage benefits. Even if we assume the operating margin to be relatively stable at historical average (at ~5.3%), TJL is likely to operate at a healthy ROCE of ~15% over FY27-FY28E.

Fig 4 – TJL operates at a healthy ROCE on better inventory turn

Particulars	TJL	SENCO	PNG	KALYAN
Revenue (Rs bn) - FY25	49.1	63.3	75.9	250.5
Revenue CAGR (%) - (FY19-FY25)	22.6	16.9	20.6	17.0
Average EBITDA margin (%) - (FY19-FY25)	5.3	5.8	3.7	6.9
EBITDA margin (%) - FY25	4.5	5.8	4.4	6.1
Stud ratio (%) - FY25	8.0	10.9	6.7	30.1
Franchise revenue share (%) - FY25	0.0	32.0	11.9	36.0
Average ROCE (%) - (FY19-FY25)	17.6	10.7	19.2	14.6
ROCE (%) - FY25	10.8	9.5	17.8	22.9
Average revenue per COCO store (Rs mn) - FY25	800	419	1742	1091
Inventory per COCO store (Rs mn) - FY25	330	333	577	601
Inventory turn (x) based on COCO store - FY25	2.4	1.3	3.0	1.8

Source: Company, BOBCAPS Research

Fig 5 – TJL is likely to operate at a healthy ROCE of ~15.0% over FY27-FY28E



Source: Company, BOBCAPS Research

TJL's EPS to grow at a strong 30.9% CAGR over FY25-FY28E

TJL's EPS is projected to grow at a strong 30.9% CAGR over FY25-FY28E, to be driven by stores expansion (10.0% CAGR) and normalisation of EBITDA margin to historical average level (from a weak base of 4.5% in FY25 to 5.3% in FY28). We believe the pace of store expansion is likely to accelerate in FY26 due to equity raising through right issue in Mar'25, but it is likely to slow down from FY27 onwards due to high leverage (net debt/EBITDA is likely to be in the range of 2.3-2.6x over FY27-FY28).

The company has a policy of hedging its gold inventory at more than 75% and has increased this ratio to 96% level in FY25 due to increase in volatility in gold prices.

Fig 6 – Key assumptions

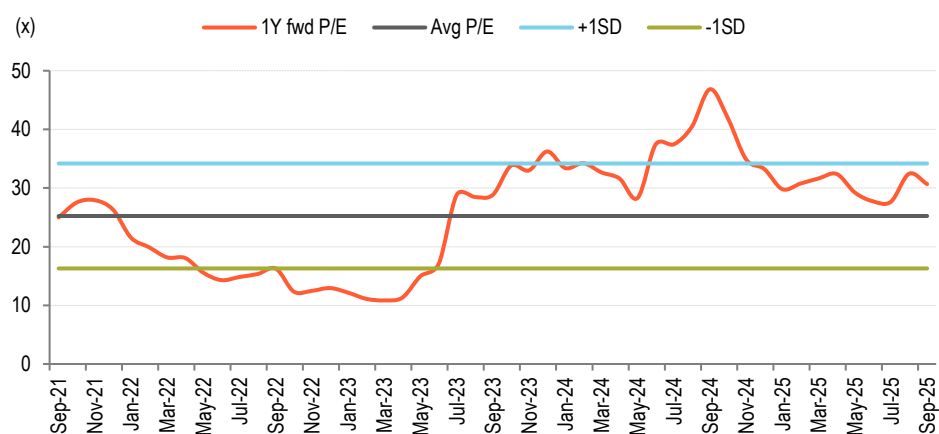
Particulars	FY24	FY25	FY26E	FY27E	FY28E
No. of stores	58	60	68	74	80
Retail revenue per store (Rs mn)	659	800	972	1,044	1,110
Revenue (Rs bn)	38.3	49.1	64.6	77.0	88.8
EBITDA margin (%)	5.5	4.5	5.2	5.3	5.3
PAT margin (%)	3.2	2.4	3.1	3.1	3.0
Inventory (days)	113	147	126	126	126
Net debt/EBITDA (x)	1.7	2.3	1.9	2.3	2.6
ROCE (%)	21.6	10.8	15.9	15.5	14.8

Source: Company, BOBCAPS Research

Valuation Methodology

We expect TJL EPS to grow at a strong 30.9% CAGR, along with healthy ROCE of ~15% over FY26-FY28E. However, we initiate our coverage on the stock with a HOLD rating and TP of Rs 2,050 per share (which implies downside of 6% from last close) as we believe a) the pace of store addition is likely to slow down from FY27 onwards from internal accrual, due to nil reliance on franchise model and leverage balance sheet profile (net debt to EBITDA is projected at 2.3-2.6x in FY27-FY28) b) expensive valuations (the stock trades at 30.7x on 1YF P/E vs 5Y avg of 25.2x). We value the stock by assigning 25x P/E on Sep'27 EPS.

Fig 7 – TJL stock trades at 30.7x on 1YF P/E vs 5Y avg of 25.2x



Source: Company, BOBCAPS Research

Key risks

Key upside/downside risks to our estimates are:

- Steep increase in volatility in gold price and regulatory risks
- Loss of market share due to steep rise in competitive intensity in its non-metro areas of Tamil Nadu
- Faster roll out and quick ramp up of new stores in a profitable manner

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	38,268	49,106	64,561	76,978	88,786
EBITDA	2,124	2,190	3,386	4,109	4,673
Depreciation	164	237	280	337	397
EBIT	1,960	1,953	3,106	3,773	4,276
Net interest inc./(exp.)	(363)	(411)	(530)	(634)	(820)
Other inc./(exp.)	54	57	102	102	102
Exceptional items	0	0	0	0	0
EBT	1,651	1,599	2,678	3,240	3,557
Income taxes	418	412	704	816	895
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	1,232	1,187	1,973	2,425	2,662
Adjustments	0	0	0	0	0
Adjusted net profit	1,232	1,187	1,973	2,425	2,662

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	175	331	435	518	598
Other current liabilities	5,048	6,369	6,369	6,369	6,369
Provisions	34	0	0	0	0
Debt funds	4,383	7,506	7,642	10,473	12,969
Other liabilities	239	363	363	363	363
Equity capital	274	311	311	311	311
Reserves & surplus	4,657	10,713	12,251	14,178	16,281
Shareholders' fund	4,932	11,024	12,562	14,489	16,591
Total liab. and equities	14,811	25,592	27,370	32,213	36,890
Cash and cash eq.	818	2,418	1,056	889	776
Accounts receivables	43	86	72	86	99
Inventories	11,892	19,786	22,230	26,578	30,731
Other current assets	324	923	1,214	1,447	1,669
Investments	0	0	0	0	0
Net fixed assets	1,535	1,990	2,409	2,823	3,226
CWIP	24	113	113	113	113
Intangible assets	0	17	17	17	17
Deferred tax assets, net	25	40	40	40	40
Other assets	151	216	216	216	216
Total assets	14,811	25,588	27,366	32,208	36,886

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	1,749	(5,273)	66	(1,218)	(531)
Capital expenditures	(505)	(797)	(700)	(750)	(800)
Change in investments	0	0	0	0	0
Other investing cash flows	54	57	102	102	102
Cash flow from investing	(451)	(740)	(598)	(648)	(698)
Equities issued/Others	137	36	0	0	0
Debt raised/repaid	(692)	3,123	136	2,831	2,496
Interest expenses	(363)	(411)	(530)	(634)	(820)
Dividends paid	(274)	(389)	(435)	(497)	(559)
Other financing cash flows	(51)	5,257	0	0	0
Cash flow from financing	(1,244)	7,617	(830)	1,700	1,116
Chg in cash & cash eq.	54	1,604	(1,362)	(167)	(113)
Closing cash & cash eq.	818	2,422	1,060	893	780

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	44.9	38.2	63.5	78.0	85.6
Adjusted EPS	44.9	38.2	63.5	78.0	85.6
Dividend per share	10.0	12.5	14.0	16.0	18.0
Book value per share	179.7	354.7	404.2	466.2	533.8

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.9	1.5	1.1	1.0	0.9
EV/EBITDA	33.4	32.6	21.5	18.3	16.7
Adjusted P/E	48.0	56.4	33.9	27.6	25.2
P/BV	12.0	6.1	5.3	4.6	4.0

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	74.7	74.2	73.7	74.8	74.8
Interest burden (PBT/EBIT)	84.2	81.9	86.2	85.9	83.2
EBIT margin (EBIT/Revenue)	5.1	4.0	4.8	4.9	4.8
Asset turnover (Rev./Avg TA)	258.4	191.9	235.9	239.0	240.7
Leverage (Avg TA/Avg Equity)	3.4	3.2	2.3	2.4	2.4
Adjusted ROAE	27.9	14.9	16.7	17.9	17.1

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	21.4	28.3	31.5	19.2	15.3
EBITDA	38.9	3.1	54.7	21.3	13.7
Adjusted EPS	54.5	(15.0)	66.2	22.9	9.8

Profitability & Return ratios (%)

EBITDA margin	5.5	4.5	5.2	5.3	5.3
EBIT margin	5.1	4.0	4.8	4.9	4.8
Adjusted profit margin	3.2	2.4	3.1	3.1	3.0
Adjusted ROAE	27.9	14.9	16.7	17.9	17.1
ROCE	21.6	10.8	15.9	15.5	14.8

Working capital days (days)

Receivables	0	1	0	0	0
Inventory	113	147	126	126	126
Payables	2	2	2	2	2

Ratios (x)

Gross asset turnover	16.6	17.0	18.0	17.8	17.4
Current ratio	1.5	1.7	1.8	1.7	1.7
Net interest coverage ratio	5.4	4.8	5.9	6.0	5.2
Adjusted debt/equity	0.7	0.5	0.5	0.7	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**

Logo:  **BOBCAPS**
TRUST | INNOVATION | EXCELLENCE

Investments 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.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

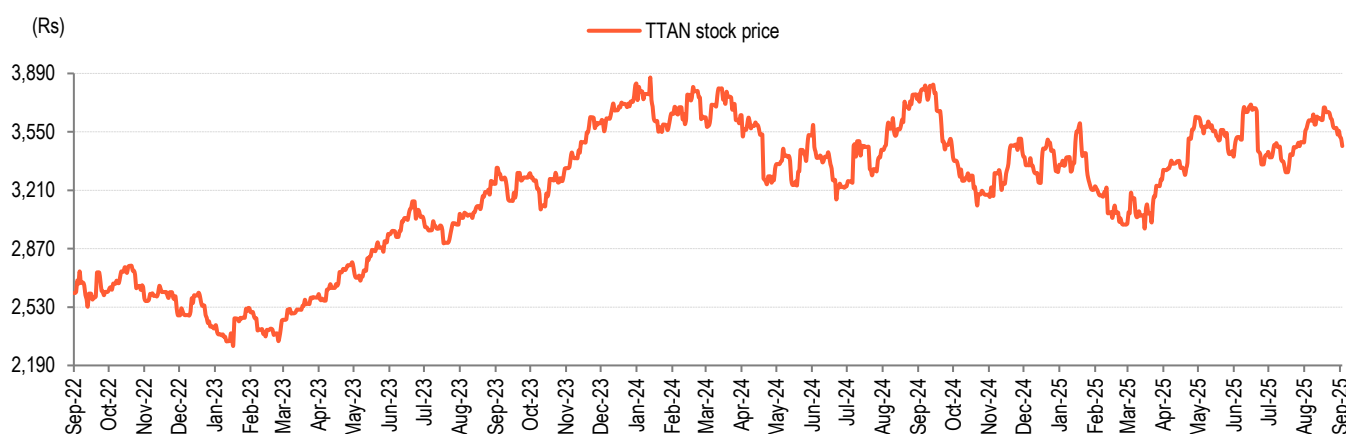
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

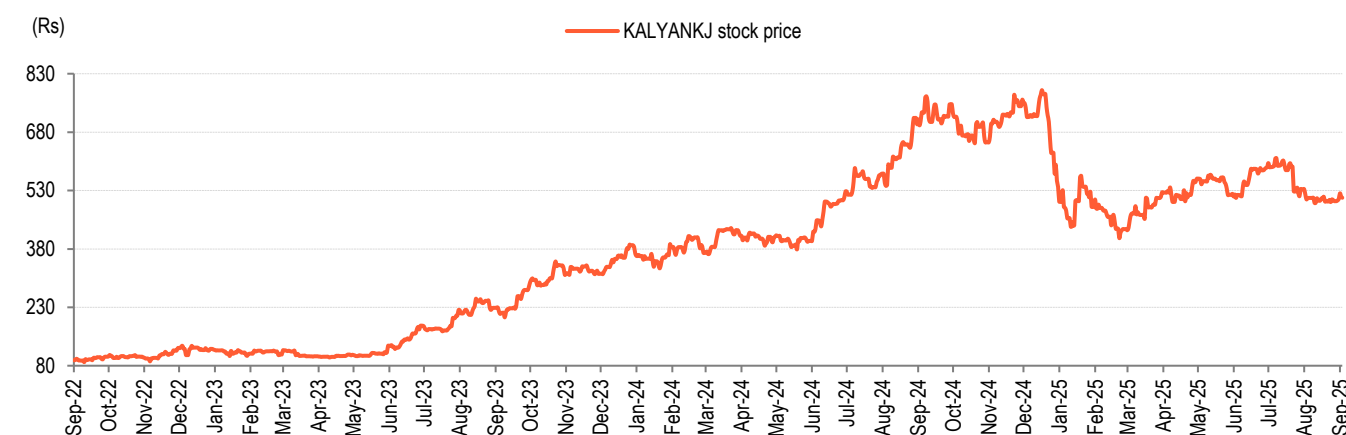
Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): TITAN COMPANY (TTAN IN)

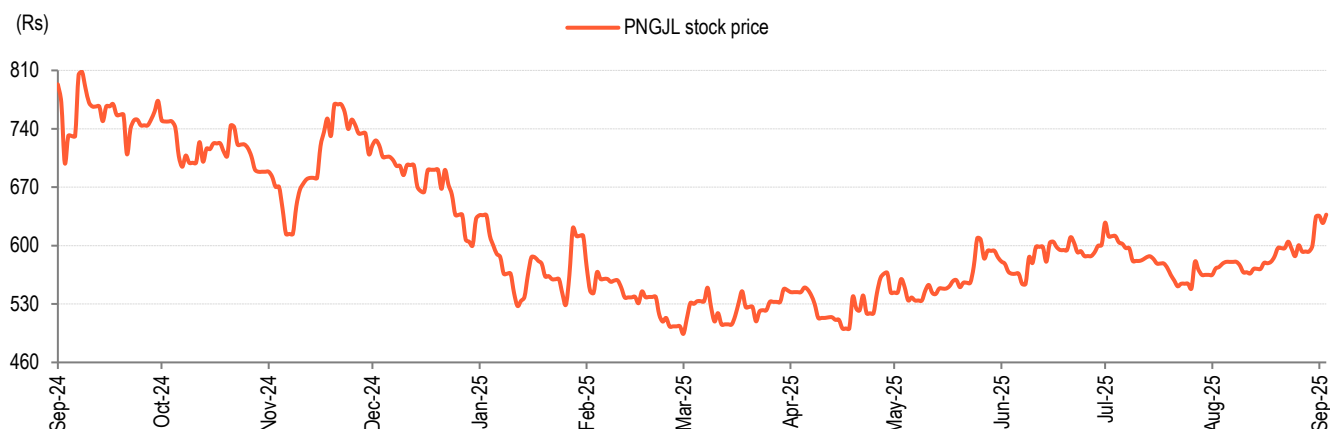


B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Ratings and Target Price (3-year history): KALYAN JEWELLERS (KALYANKJ IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Ratings and Target Price (3-year history): P N GADGIL JEWELLERS (PNGJL IN)


B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Ratings and Target Price (3-year history): SENCO GOLD (SENCO IN)


B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Ratings and Target Price (3-year history): THANGAMAYIL JEWELLERY (TJL IN)


B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd ("MSL") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as "MAYBANK"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.