

Kalyan Jewellers

Perfecting towards stable performance; strong Buy

We recently interacted with various business teams of Kalyan Jewellers to assess fundamental drivers for growth. We reckon, Kalyan has inherent advantage to its business model - hyperlocal strategy, generating strong enquiries given its solid understanding on local taste and demand for designs. Further our interaction with teams running, hallmarking center, wholesale manufacturer and 'My Kalyan' displayed confidence on generating strong consumer demand working closely with wedding eco-system (~20% of revenues). Management alluded resilient business momentum and improving SSSG driven by footfalls across geographies, yet it remains upbeat on doubling store count in three years in non-south markets driven by own stores and FOCO (50-60) improving its studded jewelry ratio. We tweak our earnings and maintain BUY, with a revised DCF-based TP Rs121 (implying 27.5x FY24E EPS).

Strong connect with stakeholders in wedding eco-system - My-Kalyan driving store footfalls
Our interaction with teams running 'My-Kalyan', wholesale manufacturer, hallmarking center and flagship store gave us confidence on steady performance for the company. Interestingly, strong connect with wedding eco-system, driving each My-Kalyan associate visiting 15-20 houses everyday generating strong footfalls for its stores, resulting in ~20% of revenue contribution. Management said, though it appears it's a cost centre, it generates good profits. BIS Hallmarking centre head confirmed better-quality infrastructure has driven increased certification for jewelry - 3500 pcs per month. Though current rejection rate is ~5%, the efforts are made to minimise losses post stripping of gold from each jewelry pc. The wholesale manufacturing unit (largely catering to demand from Kalyan) process ~200-250kg per month and works with ~4-5% margin. Our interaction with flagship store manager indicated, (1) increased consumer awareness for gold purity, (2) ~32% share for studded jewelry, (3) making charges - basic gold jewelry ~3-5%, while hand crafted designs (heavy gold) command ~25-30%, (4) store inventory of 100kg it generates ~2.5-2.7x turnover per annum, and (5) each store staff is incentivised and ~95% of them achieve resulting in bill cuts ~100-135 per day.

Management confirmed strong business momentum to continue

Management said its performance to be driven by: (1) doubling stores in three years - 60% under FOCO model, (2) 6 pilot FOCO stores by Oct'22, (3) strong enrolment under Dhan-Varsha advance purchase scheme, (4) My-Kalyan model has been able to showcase designs and upsell to the consumer, (5) increased studded ratio to drive gross margins, and (6) gold exchange to remain ~30%, yet increased gold mental loans (Rs18bn) could cut interest burden. The management said A&P spend to remain at ~1.8% of sales yet expects FY23 could witness strong revenue momentum and improved profitability led by pent up demand.

Valuation driven by potential earnings upside

We reckon Kalyan's strategy revolved around adding new stores in non-south markets and calibrated expansion in Middle East region. Further management appears to be confident on its strategy of non-South markets to improve studded ratio, serving millennials meeting their aspirational demand by introducing new designs. We increase our earnings for FY23E/24E by 27.8%/26.7% and retain BUY, with a DCF-based revised TP of Rs121 (implying 27.5x FY24E EPS). Risks: irrational competition; prolonged recovery in the economy, leading to lower demand for jewelry; rising gold prices.

Financial and valuation summary

YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Revenues	101,009	85,733	108,179	129,768	155,686
EBITDA	7,603	5,943	8,145	10,654	13,108
EBITDA margin (%)	7.5	6.9	7.5	8.2	8.4
Adj. Net profit	1,423	(61)	2,240	3,570	4,575
Adj. EPS (Rs)	1.7	(0.1)	2.2	3.5	4.4
EPS growth (%)	nm	nm	nm	59.3	28.1
PE (x)	49.0	nm	38.2	23.9	18.7
EV/EBITDA (x)	12.9	15.3	11.7	7.9	6.0
PBV (x)	3.2	2.5	2.7	2.4	2.1
RoE (%)	6.8	(0.2)	7.5	10.7	12.0
RoCE (%)	6.8	(1.1)	7.4	9.5	11.0

Source: Bloomberg, Centrum Broking

Company Update

India I Consumer

05 September, 2022

BUY

Price: Rs83

Target Price: Rs121

Forecast return: 46%

Institutional Research

Market Data

Bloomberg:	KALYANKJ IN
52 week H/L:	86/55
Market cap:	Rs87.3bn
Shares Outstanding:	1030.1mn
Free float:	39.5%
Avg. daily vol. 3mth:	1,970,169

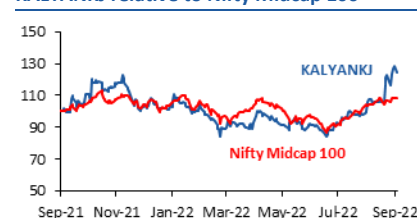
Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Changed from Rs101 to Rs121
EPS:	FY23E: Up by 27.8%
	FY24E: Up by 26.7%

Source: Centrum Broking

KALYANKJ relative to Nifty Midcap 100



Source: Bloomberg

Shareholding pattern

	Jun-22	Mar-22	Dec-21	Sep-21
Promoter	60.5	60.5	60.5	60.5
FIIs	2.8	3.1	3.3	2.9
DII	1.8	1.6	1.9	1.7
Public/other	34.9	34.9	34.3	34.9

Source: BSE



Shirish Pardeshi

Research Analyst, Consumer

+91-22-4215 9634

shirish.pardeshi@centrum.co.in

Consumer

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY23E New	FY23E Old	% chg	FY24E New	FY24E Old	% chg
Revenue	129,768	127,383	1.9	155,685	152,878	1.8
EBITDA	10,654	10,076	5.7	13,108	12,614	3.9
EBITDA margin	8.2	7.9	30bp	8.4	8.3	17bp
Adj. PAT	3,570	2,794	27.8	4,575	3,611	26.7
Diluted EPS (Rs)	3.5	2.7	27.8	4.4	3.5	26.7

Source: Centrum Broking

Kalyan Jewellers versus NIFTY Midcap 100

	1m	6m	1 year
KALYANKI IN	16.0	33.3	24.8
NIFTY midcap 100	4.2	14.6	8.5

Source: Bloomberg, Centrum Broking

Key assumptions

Y/E Mar	FY23E	FY24E
No of stores in India	163	194
Retail space growth (%)	15.6	19.0

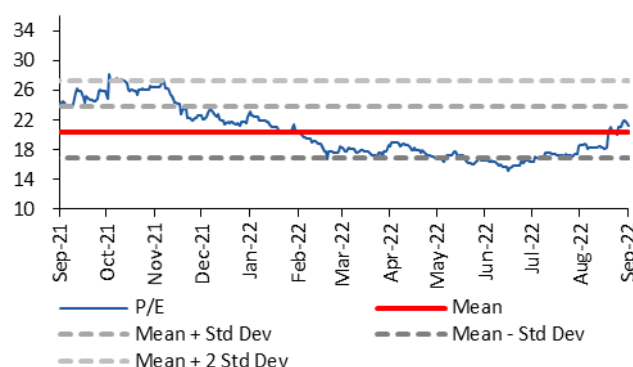
Source: Centrum Broking

Valuations

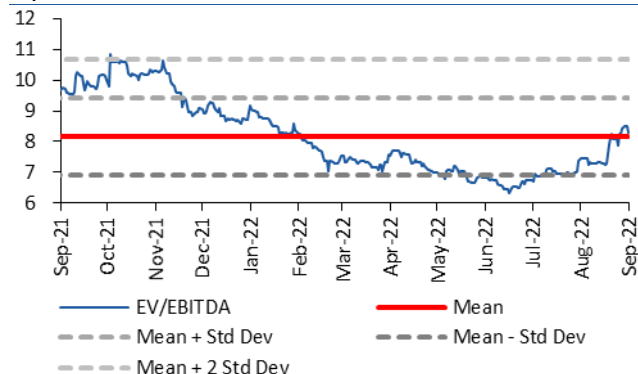
We reckon Kalyan's strategy revolved around adding new stores in non-south markets and calibrated expansion in Middle East region. Further management appears to be confident on its strategy of non-South markets to improve studded ratio, serving millennials meeting their aspirational demand by introducing new designs. We increase our earnings for FY23E/24E by 29.6%/25.7% and retain BUY, with a DCF-based revised TP of Rs121 (implying 27.5x FY24E EPS). Risks: irrational competition; prolonged recovery in the economy, leading to lower demand for jewelry; rising gold prices.

Valuations	Rs/share
DCF based target price (Rs)	121
WACC (%)	12.0
Terminal growth (%)	5.0

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Peer comparison

Company	Mkt Cap Rs bn	CAGR FY22-FY24E (%)			PE (x)			EV/EBITDA (x)			RoE (%)		
		Sales	EBITDA	PAT	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Titan Co. Ltd	2,340.0	21.4	31.3	33.0	105.9	84.0	64.4	69.6	52.8	43.0	26.8	29.9	30.9
Kalyan Jewellers	85.0	20.0	26.9	42.9	38.2	23.9	18.7	11.7	7.9	6.0	7.5	10.7	12.0

Source: Company, Centrum Broking

Strong connect with wedding eco-system

My-Kalyan driving store footfall

Our interaction with teams running 'My-Kalyan; indicated continued momentum, as it drives Dhan-Varsha, advance purchase scheme and also showcase various products and designs.

- My-Kalyan has strong connect with stakeholders in the wedding eco-system
- Each store is supplemented by 6-7 My-Kalyan associates
- Each associate has foxed route plan and it is reviewed on weekly basis
- Each associate visits 15-20 houses based on leads generated by wedding eco-system
- During the visit, the associate showcase the design and generate potential lead for the company
- Each associate also conduct enrolment for Dhan-Varsha advance purchase scheme
- The associate also collects the instalment for advance purchase scheme and it is secured by one stage OTP password verification
- In advance purchase scheme the consumer gets 5-10% bonus discount on purchase or making charges
- My-Kalyan contributes ~20% of company revenues
- Though My-Kalyan appears to be cost centre, it generates healthy profits

Exhibit 1: My Kalyan office in Thrissur



Source: Company Data, Centrum Broking

Exhibit 2: My-Kalyan associate weekly work plan/ beat visit

MY KALYAN PUDUKAD ROUTE CHART	
Monday	VARANDARAPPILLY, Veluppadam, Palappilly, Pidiikkaparembu, Kalakkattu, Varakkara, Pound, Pulikkanni, Chimmomy Dam
Tuesday	KALLUR, Vattanathra, Mavinchodu, Alengadu, Mannampet, Adhur, Nayanagady, Palakkaparembu, Pachalippuram
Wednesday	OLLUR, Thalare, Chittiseery, Edakkunni, Eravakkadu, Paliyakkara, Thirikkur, Konnikkara, Marathakkara
Thursday	PUDUKAD, Nelayi, Nedumbal, Parappukkara, Muthrathikkara, Ponkothra, Nandhikkara, Kanjoor, Valanjoopadam
Friday	CHENGALOOR, Santhinagar, Randamkallu, Snehapuram, Mupliyam, Maravanchery, Kannambathur, Nandhipulam, Karayampadam
Saturday	THOTTIPAL, Mulangu, Rappal, Cheruval, Pazhayi, Thoravu, Amballur, Nenmanikkara, Vendoor

Source: Company Data, Centrum Broking

Improved Hall-marking certification

Our interaction with BIS certified, Athira Assey and Hallmarking centre (AHC) team confirmed improved consumer awareness for hall-marked jewellery has resulted in 2x higher demand from jewelry players. Its better-quality infrastructure has driven increased certification for jewelry. The hallmarking process is carried out in 3 steps - homogeneity testing, purity testing and individual items marking.

- Athira Assey and hallmarking centre is operational for last 7 years
- BIS certified Hallmarking centre conducts three parallel processes for hallmarking before awarding certification
- Homogeneity test – Under this all items within a given sample are taken and checked to ensure that they comply with the necessary regulatory standards of BIS
- X-ray fluorescence spectroscopy (XRF) - universally recognized as a very accurate method of measuring the atomic composition of a material by irradiating a sample with

high energy photons such as x-rays or gamma rays and observing the resulting x-ray fluorescence emitted by the sample

- Purity testing – Under this fraction of gold is scraped from lowest value item from the batch and melted to conduct oxidation test for checking the purity of gold. Once the sample conforms the quality it is certified as '916' or 91.6% purity or 22 Karat
- The AHC generally conducts 3500 samples per month, charging Rs35/ per pc certification
- It saw 2x demand for certification in last five/six months
- Current rejection rate is 5% for incoming samples from local jewellers
- Its effort using better technology is to cut losses from scraped gold from each jewelry article

Exhibit 3: Athira Assay and Hallmarking Centre



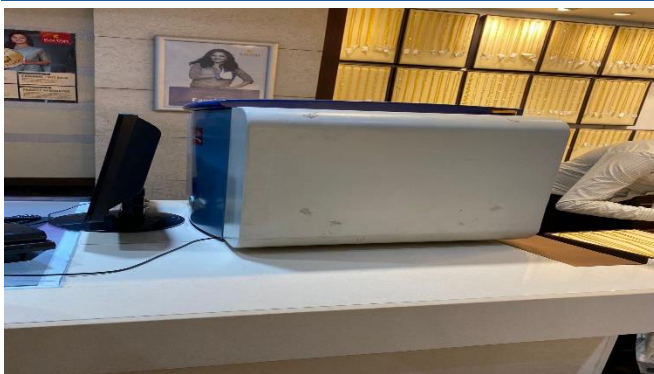
Source: Company Data, Centrum Broking

Exhibit 4: Hallmarking parting test



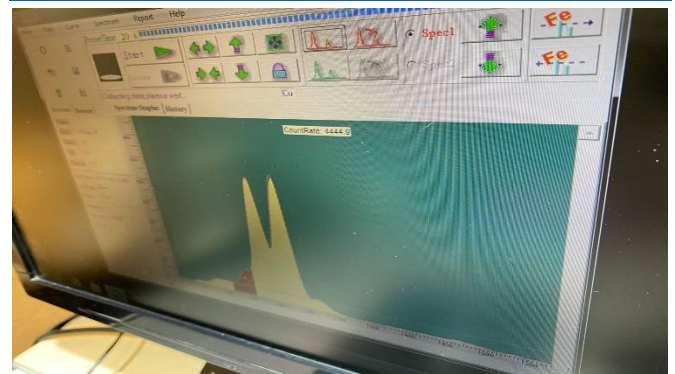
Source: Company Data, Centrum Broking

Exhibit 5: Karatmeter



Source: Company Data, Centrum Broking

Exhibit 6: Karatmeter reading for matching purity 916



Source: Company Data, Centrum Broking

Exhibit 7: Furnace for checking homogeneity



Source: Company Data, Centrum Broking

Exhibit 8: Instrument for checking purity



Source: Company Data, Centrum Broking

Exhibit 9: Every record on purity is uploaded on BIS website

Source: Company Data, Centrum Broking

Exhibit 10: Checking for hallmarking standards

Source: Company Data, Centrum Broking

Improved demand for machine made gold jewelry

Our interaction with wholesale manufacturing unit indicated strong demand for standardised machine made jewelry. The unit process ~250 kg gold per-month, largely various types of gold chains weighing 10 – 100 grams. The owner of unit confirmed improved consumer demand for machine made standardised products and risen consistently in recent months.

- The wholesale unit manufactures machine made gold items which are standardised, largely chains
- The product pricing is done upfront with 3-4% discounts for the local jewellers, yet the owner for the unit gets ~3% margin
- The unit delivers ~8-10K pieces per day
- The unit owner confirmed heightened demand from Kalyan in recent times

Exhibit 11: Continuous machine manufacturing process

Source: Company Data, Centrum Broking

Exhibit 12: Machines used to manufacture gold chains

Source: Company Data, Centrum Broking

Exhibit 13: Multilayer chain manufacturing

Source: Company Data, Centrum Broking

Exhibit 14: Gold chain manufacturing

Source: Company Data, Centrum Broking

Exhibit 15: High value gold chains

Source: Company Data, Centrum Broking

Exhibit 16: Checking for quality for machine made products

Source: Company Data, Centrum Broking

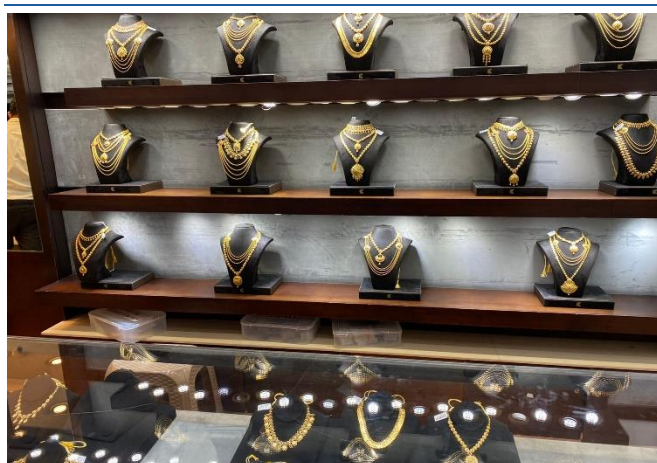
Flag-ship store visit witnessing strong footfalls

Our interaction with teams running Kalyan's flag-ship store indicated strong consumer awareness for purity certification such as BIS hallmarking. Though being market leader it has inherent advance due to its hyperlocal strategy in understanding consumer taste and preferences. Also in recent times it has also witnessed rising enrolment for Dhan-Varsha, advance purchase scheme.

- Store manager confirmed increase consumer awareness for gold purity and BIS certification
- Most customer generate high confidence when they enter any store and instantly check the purity of old gold using Karatmeter installed at the entrance of each store
- The store achieves ~Rs3bn sales per annum
- The store has seen increased trajectory in footfalls post Apr-May'22
- Making charges - basic gold jewelry ~3-5%, while hand crafted designs (heavy gold) command ~25-30%
- The store inventory ~100kg generates ~2.5-2.7x turnover per annum
- Each store staff is incentivised and ~95% of them achieve resulting in bill cuts ~100-135 per day

Exhibit 17: Platinum jewelry collection

Source: Company Data, Centrum Broking

Exhibit 18: Heavy necklace collection (fast selling item)

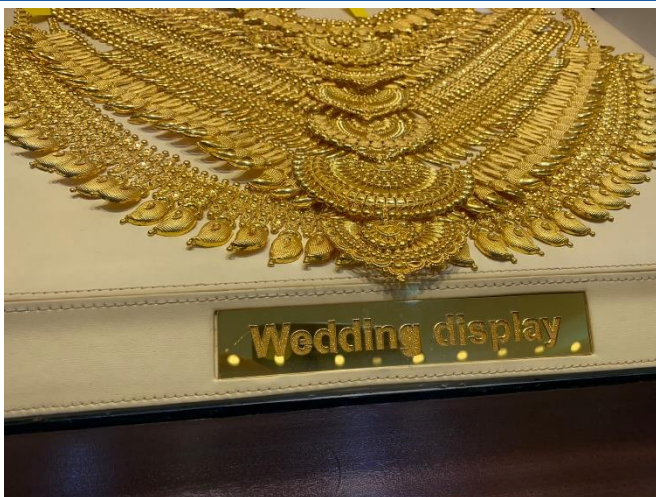
Source: Company Data, Centrum Broking

Exhibit 19: Heavy gold necklace (strong demand product)

Source: Company Data, Centrum Broking

Exhibit 20: Types of heavy gold necklaces

Source: Company Data, Centrum Broking

Exhibit 21: Gold necklaces, fast moving items

Source: Company Data, Centrum Broking

Exhibit 22: Flag-ship store in Thrissur

Source: Company Data, Centrum Broking

P&L					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Revenues	101,009	85,733	108,179	129,768	155,686
Operating Expense	83,918	71,141	91,263	108,227	128,752
Employee cost	3,572	3,315	3,543	4,282	5,605
Others	5,917	5,334	5,229	6,605	8,221
EBITDA	7,603	5,943	8,145	10,654	13,108
Depreciation & Amortisation	2,392	2,249	2,316	2,809	3,322
EBIT	5,211	3,694	5,829	7,845	9,786
Interest expenses	3,803	3,754	3,224	3,590	3,982
Other income	801	454	383	504	378
PBT	2,209	394	2,989	4,760	6,182
Taxes	786	454	748	1,190	1,607
Effective tax rate (%)	35.6	115.4	25.0	25.0	26.0
PAT	1,423	(61)	2,240	3,570	4,575
Minority/Associates	0	0	0	0	0
Recurring PAT	1,423	(61)	2,240	3,570	4,575
Extraordinary items	0	0	0	0	0
Reported PAT	1,423	(61)	2,240	3,570	4,575
Ratios					
YE Mar	FY20A	FY21A	FY22A	FY23E	FY24E
Growth (%)					
Revenue	3.4	(15.1)	26.2	20.0	20.0
EBITDA	31.0	(21.8)	37.1	30.8	23.0
Adj. EPS	nm	nm	nm	59.3	28.1
Margins (%)					
Gross	16.9	17.0	15.6	16.6	17.3
EBITDA	7.5	6.9	7.5	8.2	8.4
EBIT	5.2	4.3	5.4	6.0	6.3
Adjusted PAT	1.4	(0.1)	2.1	2.8	2.9
Returns (%)					
ROE	6.8	(0.2)	7.5	10.7	12.0
ROCE	6.8	(1.1)	7.4	9.5	11.0
ROIC	6.9	(1.2)	8.3	11.2	15.1
Turnover (days)					
Gross block turnover ratio (x)	3.8	3.6	4.1	4.5	4.9
Debtors	7	7	4	4	4
Inventory	201	257	222	178	139
Creditors	21	32	27	19	14
Net working capital	151	195	171	153	138
Solvency (x)					
Net debt-equity	1.3	0.8	0.8	0.4	0.2
Interest coverage ratio	2.0	1.6	2.5	3.0	3.3
Net debt/EBITDA	3.7	3.6	3.2	1.4	0.7
Per share (Rs)					
Adjusted EPS	1.7	(0.1)	2.2	3.5	4.4
BVPS	25.8	33.7	30.5	34.2	39.6
CEPS	4.5	2.6	4.4	6.2	7.7
DPS	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	nm	0.0	0.0	0.0
Valuation (x)					
P/E	49.0	nm	38.2	23.9	18.7
P/BV	3.2	2.5	2.7	2.4	2.1
EV/EBITDA	12.9	15.3	11.7	7.9	6.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Equity share capital	8,392	10,301	10,301	10,301	10,301
Reserves & surplus	13,220	17,960	21,070	24,921	30,482
Shareholders fund	21,612	28,260	31,370	35,221	40,783
Minority Interest	(30)	5	9	9	9
Total debt	35,902	32,185	33,632	31,632	29,632
Non Current Liabilities	7,578	6,984	6,661	7,870	9,333
Def tax liab. (net)	0	0	0	0	0
Total liabilities	65,061	67,433	71,673	74,732	79,756
Gross block	26,429	24,136	26,580	29,067	32,065
Less: acc. Depreciation	(4,807)	(5,200)	(7,416)	(10,225)	(13,547)
Net block	21,621	18,936	19,164	18,843	18,519
Capital WIP	242	527	17	17	17
Net fixed assets	21,916	19,518	19,236	18,915	18,590
Non Current Assets	669	1,449	1,183	1,242	1,242
Investments	617	582	560	851	2,802
Inventories	47,203	53,031	57,943	47,586	50,691
Sundry debtors	2,137	1,127	1,422	1,705	2,046
Cash & Cash Equivalents	7,501	10,966	7,772	17,218	20,727
Loans & advances	812	343	343	343	343
Other current assets	1,330	1,636	1,636	1,636	1,636
Trade payables	5,576	6,901	6,548	4,552	5,415
Other current liab.	11,166	13,873	11,427	9,766	12,460
Provisions	384	445	446	446	446
Net current assets	41,858	45,884	50,694	54,500	57,122
Total assets	65,061	67,433	71,673	74,732	79,756
Cashflow					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Profit Before Tax	2,209	394	2,989	4,760	6,182
Depreciation & Amortisation	2,392	2,249	2,316	2,809	3,322
Net Interest	3,334	3,461	2,805	3,085	3,604
Net Change – WC	(4,243)	(641)	(4,071)	6,347	(853)
Direct taxes	(69)	(569)	(1,529)	(1,190)	(1,607)
Net cash from operations	3,195	6,289	2,450	15,811	10,648
Capital expenditure	(1,075)	(479)	(908)	(2,488)	(2,998)
Acquisitions, net	0	0	0	0	0
Investments	1,117	(1,821)	1,344	0	0
Others	302	127	199	504	378
Net cash from investing	343	(2,173)	636	(1,984)	(2,620)
FCF	3,538	4,116	3,086	13,828	8,028
Issue of share capital	0	7,565	15	0	0
Increase/(decrease) in debt	1,816	(5,132)	(861)	(2,000)	(2,000)
Dividend paid	0	0	0	0	0
Interest paid	(2,706)	(2,864)	(2,216)	(3,590)	(3,982)
Others	(2,541)	(1,646)	(2,182)	1,208	1,463
Net cash from financing	(3,431)	(2,076)	(5,244)	(4,381)	(4,519)
Net change in Cash	108	2,040	(2,158)	9,446	3,509

Source: Company, Centrum Broking

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or 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. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are 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. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/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. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies 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. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by him, Mr. Shirish Pardeshi, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Ratings definitions

Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5-+5% returns.

Sell – The stock is expected to deliver <-5% returns.

Kalyan Jewellers



Source: Bloomberg

Disclosure of Interest Statement

1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)
		Kalyan Jewellers
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest	No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.	No
6	Whether the research analyst or his relatives has any other material conflict of interest	No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received	No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report	No
9	Whether Research Analysts has served as an officer, director or employee of the subject company	No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.	No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;	No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No

Member (NSE and BSE). Member MSEI (Inactive)

Single SEBI Regn. No.: INZ000205331

Depository Participant (DP)

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

Website: www.centrum.co.in**Investor Grievance Email ID:** investor.grievances@centrum.co.in**Compliance Officer Details:**

Ajay S Bendkhale

(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)**Registered Office Address**Bombay Mutual Building,
2nd Floor, Dr. D. N. Road,
Fort, Mumbai - 400 001**Corporate Office & Correspondence Address**Centrum House
6th Floor, CST Road, Near Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai
400 098.
Tel: (022) 4215 9000 Fax: +91 22 4215 9344