

Titan Company (TTAN IN)

Rating: ACCUMULATE | CMP: Rs3,242 | TP: Rs3,578

May 31, 2024

Analyst Meet Update

Change in Estimates | Target | Reco

Change in Estimates

	Current	Previous		
	FY25E	FY26E	FY25E	FY26E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	3,578	3,767		
Sales (Rs. m)	5,50,111	6,55,559	5,72,321	6,87,208
% Chng.	(3.9)	(4.6)		
EBITDA (Rs. m)	58,266	74,853	65,243	81,967
% Chng.	(10.7)	(8.7)		
EPS (Rs.)	41.7	56.0	47.7	62.2
% Chng.	(12.4)	(10.0)		

Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. bn)	383	472	550	656
EBITDA (Rs. bn)	48	50	58	75
Margin (%)	12.6	10.5	10.6	11.4
PAT (Rs. bn)	34	35	37	50
EPS (Rs.)	38.1	39.3	41.7	56.0
Gr. (%)	51.9	3.2	6.3	34.2
DPS (Rs.)	7.5	10.0	11.0	13.0
Yield (%)	0.2	0.3	0.3	0.4
RoE (%)	31.7	26.4	23.6	26.2
RoCE (%)	27.0	22.5	21.3	23.3
EV/Sales (x)	7.6	6.2	5.4	4.5
EV/EBITDA (x)	60.5	59.0	50.9	39.6
PE (x)	85.1	82.5	77.7	57.9
P/BV (x)	24.1	20.0	16.9	13.8

Key Data

	TITN.BO TTAN IN
52-W High / Low	Rs.3,887 / Rs.2,790
Sensex / Nifty	73,961 / 22,531
Market Cap	Rs.2,878bn / \$ 34,483m
Shares Outstanding	888m
3M Avg. Daily Value	Rs.4338.76m

Shareholding Pattern (%)

Promoter's	52.90
Foreign	19.01
Domestic Institution	10.45
Public & Others	17.55
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(9.7)	(7.1)	14.8
Relative	(9.0)	(15.9)	(2.8)

Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

Vishwa Solanki

vishwasolanki@plindia.com | 91-22-66322244

Hasti Savla

hastisavla@plindia.com |

Tepid margin outlook a near term drag

We are cutting FY25/26 EPS estimates by 12.5% and 9.9% given cut in EBIT margin guidance across Jewellery and Watches. TTAN is looking at 15-20% topline growth over FY24-27 as it aims to further scale up both Jewellery and watches and increase investment behind emerging segments like Taneira, Titan Eye+, Wearables and Women hand bags.

Although jewellery business is likely to sustain 15%-20% sales CAGR, EBIT margin guidance band is cut from 12-13% to 11.5-12.5%. Near term pressure emanates from rising competition from both regional and national players, impact of rising gold prices on demand and its ability to charge premium on physical gold and making charges. Watch business will focus on premium/economy segment, which has just single digit market share, however price erosion in high growth wearables segment will drag margins in the interim. Eyecare business has reached a critical mass and benefits of cost restructuring will start being reflected from FY25 itself. IBD is looking at 5% contribution to sales by FY27 with 25 Tanishq stores. We estimate 20.2% PAT CAGR over FY24-26. We expect 1H25 performance to remain tepid due to higher gold prices and weak marriage season, with strong recovery in 2H25. We expect back ended returns and advise accumulation at lower levels for medium term gains with DCF based target price of Rs3578 (Rs. 3767 earlier).

Key Highlights:

- **Jewellery: margin guidance cut by 50bps:** Revenue to grow at CAGR of 15%-20% over FY24-FY27 led by increasing stores in tier2/3 cities, wedding segment, regionalisation, strong double-digit buyer growth. Market share expected to increase from 4.5% to 8% over FY24-FY27. However, gains of operating advantage will fuel growth. Given rising competition and higher gold prices, EBIT margin band guidance cut from 12-13% to 11.5%-12.5%.
- **Watches & Wearables: Focus on premium and bottom end:** Analog watches continue to see good traction with opportunity in women/premium/genz. TTAN under indexed at premium and bottom end with single digit share. Wearable revenue to grow 3x over FY24-FY27 with overall EBIT margins to be in the range of 12%-14%.
- **Eye care: Business restructured for higher growth – Rehashed strategy** with affordable fashion segment, differentiation and reduction in prices of lenses and frames. Revenue/EBIT margins target of Rs20bn/12% for FY27.
- **New businesses: Taneira:** Revenue target of Rs10+bn by FY27. With 12 new stores to come up in top 8 metro cities. **Women Handbags:** Women's bag to see 3x topline growth over FY24-FY27. **International business:** To see 25/10/5/75 Tanishq/Titan Eye+/Mia/Watch stores by FY25. International business share to increase by 250bps over FY24-FY27 to 5% (2.5% currently). New businesses to achieve breakeven by FY27.

Jewellery – Gold price, competition to impact margins

TTAN has given tepid outlook on jewellery demand margins in near term given sharp increase in Gold prices, rising competition from regional and other chains and limitations on increasing premium in both gold in making charges from current levels. it has reduced EBIT margin guidance band from 12-13% from 11.5-12.5%.

- Jewellery to see Revenue CAGR of 15%-20% over FY24-FY27 led by robust store expansion, double digit buyer growth & focus on designs keeping in mind the local/regional diaspora.
- EBIT margins are expected to remain in the range of 11.5%-12.5% with minimum to no scope to increase it further as competitive intensity remains high coupled with rapid rise in gold prices offset with sourcing efficiencies, better product mix & tightening up of operating efficiencies
- Buyer growth is expected to be 16.5% CAGR over FY24-FY27 from 3.8mn in FY24 to 6mn FY27.
- Market share is expected to see jump of ~140-240bps to ~11% over FY24-FY27 led by penetrating in tier-2/tier-3 cities.
- Tier3/4 cities now contribute 30% towards topline with opportunity to scale it further still exist, also tier2/3/4 cities have seen higher CAGR over FY19-FY24 compared to metros & tier-1 cities.
- TTAN is watching the situation in Lab grown diamonds, which have seen ~60%, decline in prices in last couple of years. The impact seems limited as of now as Jewellery is seen as a store of value in India.
- **Mia:** Revenue to grow by 2x over FY24-FY27 with POS to reach 750 (including 300-350 EBO's), it is targeting to serve 1mn customers by FY27. 80% jewellery in Mia is studded and this is expected to remain same over medium term with focus on Genz/y.
- **Zoya:** Revenue to grow 2.5x over FY24-FY27 with Zoya boutique to increase its count from 8 to 20 over same period in top 10 towns. It is also focusing on launching its store in international market by FY27.
- **Caratlane:** The brand has grown by 47% CAGR over a 5-year period with 270 stores and presence in 100 cities, it is exploring opportunities in another 100 towns with opening additional 150 stores by FY27, along with growing consumer base to 3mn & exploring international markets.
- **International:** Business to continue target Indian diaspora across North America & West Asia with focus to increase on capturing foreign consumers. Watch/Tanishq/Titan eye+/Mia stores to see store count of 75/25/20/5 by FY25.

Exhibit 1: New stores are designed with keeping in mind the local traditions



Source: Company, PL

Exhibit 2: Rising Competitive intensity across all brands

Mainstream National chains Malabar, GRT, Kalyan, Reliance, Joyalukkas, Senco, TBZ ABG – New brand (FY25)	  	Key Independents <ul style="list-style-type: none"> ~ 40-50 key players across 50-60 towns Organising their play, investing in retail Deep connect with HV customers Sharply defending turf – gold rates, discounts Emerging Fine Jew. players (< Rs 2 L, Studded) Orra, Bluestone, Candere, Melorra, Bella, Giva New emerging LGD players
Mainstream Regional chains: Jos Alukkas, Abharan, Bhima, Thangamayil, Khazana, Kirtilal, PC Chandra, P C Jeweller, Waman Hari Pethe, P N Gadgil, Chandukaka		

Source: Company, PL

Exhibit 3: Regional/community led focus across various wedding function



Source: Company, PL

Watches & Wearables – Premium and bottom end focus

Watch business has seen pressure in wearable segment due to massive price erosion. TTAN has more than 50% share in 1-25k pricing but has single digit share in <1k and >25k segments, which are 55% of total market value. It is looking at ZEUS stores which will aim at Rs1-25L price range. TTAN is aiming at 15% sales CAGR with EBIT margins of 12.5-14% with wearables breakeven in FY27

- **Watch** business sees opportunity in premium/women/genz segment. It will capture this opportunity with innovation and making inroads into mass & premium segment where there is more headroom.
- Market share in online marketplace to increase from 30% currently to 40% by FY27. Analog market share for >25k/5k-25k/1k-5k/<1k to inch up to 11%/64%/53%/9% by FY26. Overall market share to reach 31% from 27%.
- **Wearable** category remains under pressure amid intense price war, high inventory, lower differentiation & high ecommerce dependence. Wearables to grow by 3X over FY24-FY27. AUCP for wearables has reduced to 1532 in Jan'24 with decline of 36% YoY.
- However, prices in wearables have been bottomed out and we expect pressure to ease off by 2HFY25 as older inventory gets out during festive season with fresh/newer launches to be expected from 2HFY25 onwards.
- EBIT margins are expected to be in the range of 12%-14% over FY24-FY27.

Exhibit 4: Increasing competitive intensity in wearable category

Rank	Company	Vol (Mn)	Val (₹ Cr)	MS Val	Growth
1	Fire Boltt	12.2	2,300	23.8%	-3.3%
2	Noise	11.8	2,110	21.9%	-7.7%
3	Boat	6.4	1,040	12.9%	-21.6%
4	Titan	3.0	819	8.3%	73.5%
5	Boult	1.8	276	2.8%	28.7%

Source: Company, PL

Exhibit 5: TTAN to open 3 stores under Zeus brand in FY25



Curated set of brands

Immersive, in-depth storytelling

Warm, Inclusive, Insightful & Supportive

3 stores in '24-25

₹2L- ₹20L

Consumer engagement space

Differentiated people, process to deliver best in class service

Designed by Dalziel & Pow, London

TATA trust

Source: Company, PL

Exhibit 6: AUCP continue to decline with currently at Rs1532

MARKET PERFORMANCE (3 YEARS)

Calendar Year	2021	2022	2023
Vol (Mn)	11.6	29.5	52.4
Vol Growth	426%	155%	78%
Val (₹ Cr)	4,639	8,577	10,720
Val Growth	222%	85%	25%

AUCP TRENDLINE (2023)



Intense price war, high inventories, low differentiation, high ecommerce dependence

Source: Company, PL

Eye care – 1Q25 reflecting benefits of restructuring

- Revenue/EBIT margins targets of Rs20bn/12% by FY27
- Audiology has reached topline of 1cr with 100 hearing aids being sold, H2 to see bigger plans for the same
- International presence to see an increase with 6 more stores in UAE with exploring opportunities in Saudi & UK.
- Eye wear presence huge opportunity in mid-mass segment where market share of Titan is in low single digit.

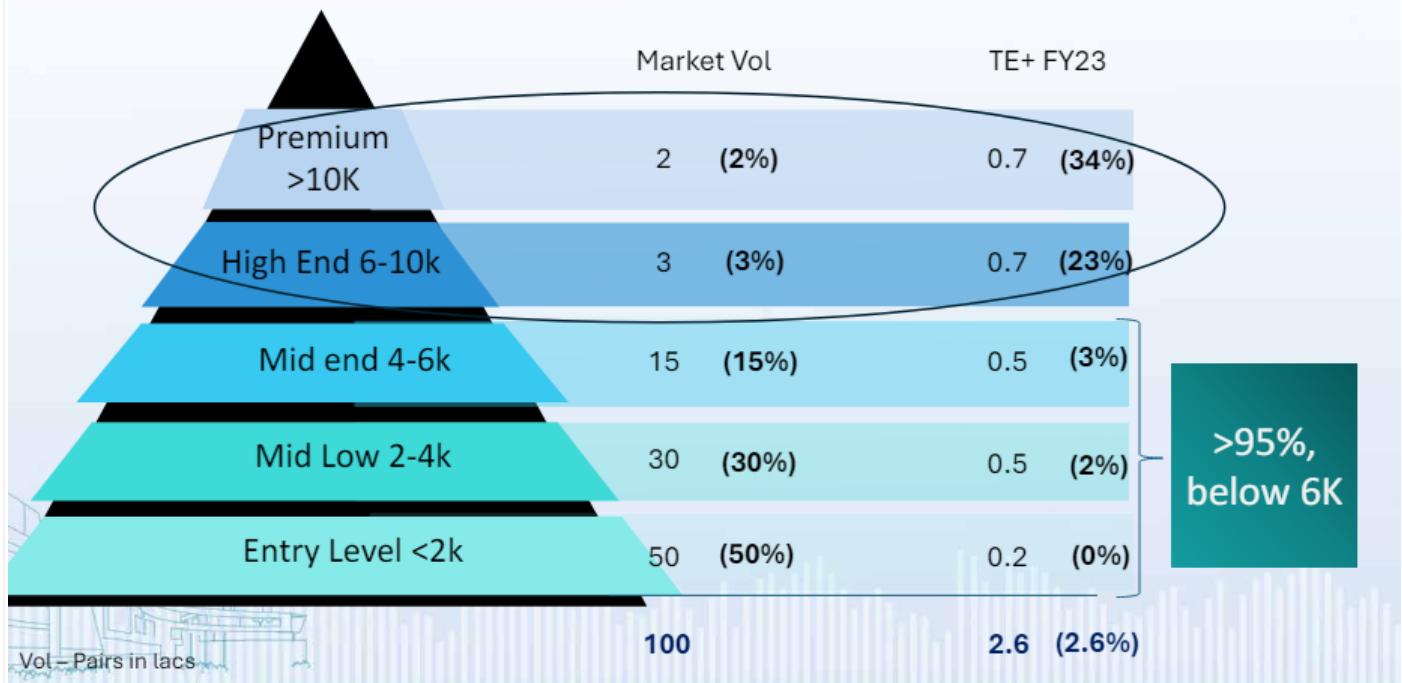
- Titan is using 4-prong approach to increase its scale in eyewear business by 1) bringing parity in affordable fashion/economy segment 2) lead in progressive through true differentiation 3) bigger play on underpenetrated market of sunglasses & 4) premiumising top 108 stores.
- Titan is launching a new format RUNWAY which is aimed at premium sunglasses to increase presence in that category
- Lower prices of frames and progressive lenses is expected to push sales and provide operating advantage and margin expansion.
- The benefits are already reflected with meaningful sales pick up in 1Q25.

Exhibit 7: Large addressable market yet to be tapped



Source: Company, PL

Exhibit 8: Titan Eye+ has higher market share in premium segment



Source: Company, PL

Exhibit 9: Sunglasses segment to see play on premiumisation



Source: Company, PL

Taneria – targeting broad based growth

- Revenue/store target of Rs10+bn/125 stores (from 20) by FY27. Taneria to grow its topline by 3X over FY24-FY27
- Saree market in India is of Rs510bn and thus presence huge opportunity to Taneria to take the market share from unorganised segment led by its unique designs and customer centric approach.
- Taneria is looking to launch 16+ newer collection every year with 200+ designs for Diwali collection.
- It is currently capturing 15 different regional festivals with 6000 weavers & 6000 artisans across countries to get the regional/local feel on the artwork of the saree.
- Taneria currently has 40% repeat customer rate led by better customer acquisition strategy and one stop store for wedding dresses.
- 82% stores would be franchise by FY25 with store size in the range of 3000-3500 sqft
- Taneria expect to become Rs10bn brand by FY27.

Exhibit 10: Taneira is currently working on high design and medium price range products



Source: Company, PL

Exhibit 11: Expect near term margin pressure in Jewellery

(Rs m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Jewellery								
Sales	1,59,881	1,66,983	1,85,880	2,42,540	3,40,070	4,23,541	4,89,990	5,83,954
Growth %	22.8	4.4	11.3	30.5	40.2	24.5	15.7	19.2
EBIDTA	19,700	21,561	17,908	31,374	44,744	47,500	52,919	67,155
Growth %	25.3	9.4	(16.9)	75.2	42.6	6.2	11.4	26.9
EBIDTA Margin %	12.3	12.9	9.6	12.9	13.2	11.2	10.8	11.5
Watches								
Sales	24,409	25,261	15,250	22,420	31,720	39,041	44,897	51,632
Growth %	18.8	3.5	(39.6)	47.0	41.5	23.1	15.0	15.0
EBIDTA	3,441	4,438	137	1,907	4,962	4,802	6,286	8,003
Growth %	13.9	29.0	(96.9)	1,294.1	160.3	(3.2)	30.9	27.3
EBIDTA Margin %	14.1	17.6	0.9	8.5	15.6	12.3	14.0	15.5
Eyewear								
Sales	5,101	5,372	3,610	5,060	6,780	7,242	9,053	11,316
Growth %	23.2	5.3	(32.8)	40.2	34.0	6.8	25.0	25.0
EBIDTA	137	320	713	919	1,475	1,304	1,629	2,037
Growth %	(11.0)	133.3	123.0	28.9	60.5	(11.6)	25.0	25.0
EBIDTA Margin %	2.7	6.0	19.8	18.2	21.8	18.0	18.0	18.0
Others								
Sales	1,334	1,841	1,040	1,650	3,480	4,349	5,860	8,298
Growth %	27.9	38.0	(43.5)	58.7	110.9	25.0	34.8	41.6
EBIDTA	-554	-444	-240	-210	-620	-709	-703	-664
Growth %	29.9	(19.8)	(46.0)	(12.5)	195.2	14.3	(0.8)	(5.6)
EBIDTA Margin %	(41.5)	(24.1)	(23.1)	(12.7)	(17.8)	(16.3)	(12.0)	(8.0)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Net Revenues	3,83,260	4,71,784	5,50,111	6,55,559
YoY gr. (%)	40.5	23.1	16.6	19.2
Cost of Goods Sold	2,90,460	3,77,819	4,23,184	4,94,890
Gross Profit	92,800	93,965	1,26,927	1,60,669
Margin (%)	24.2	19.9	23.1	24.5
Employee Cost	13,620	15,030	19,229	22,590
Other Expenses	14,070	12,949	21,752	27,873
EBITDA	48,260	49,764	58,266	74,853
YoY gr. (%)	44.2	3.1	17.1	28.5
Margin (%)	12.6	10.5	10.6	11.4
Depreciation and Amortization	3,640	4,470	5,100	5,952
EBIT	44,620	45,294	53,167	68,901
Margin (%)	11.6	9.6	9.7	10.5
Net Interest	2,400	4,800	6,236	4,416
Other Income	2,990	5,100	2,609	1,985
Profit Before Tax	45,210	45,594	49,540	66,470
Margin (%)	11.8	9.7	9.0	10.1
Total Tax	11,320	10,630	12,385	16,618
Effective tax rate (%)	25.0	23.3	25.0	25.0
Profit after tax	33,890	34,964	37,155	49,853
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	33,890	34,964	37,155	49,853
YoY gr. (%)	51.9	3.2	6.3	34.2
Margin (%)	8.8	7.4	6.8	7.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	33,890	34,964	37,155	49,853
YoY gr. (%)	55.5	3.2	6.3	34.2
Margin (%)	8.8	7.4	6.8	7.6
Other Comprehensive Income	(460)	(30)	-	-
Total Comprehensive Income	33,430	34,934	37,155	49,853
Equity Shares O/s (m)	890	890	890	890
EPS (Rs)	38.1	39.3	41.7	56.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Non-Current Assets				
Gross Block	19,430	24,345	28,679	34,384
Tangibles	17,820	22,010	26,605	32,119
Intangibles	1,610	2,335	2,074	2,265
Acc: Dep / Amortization	8,400	9,685	11,600	13,870
Tangibles	7,130	8,200	9,900	11,955
Intangibles	1,270	1,485	1,700	1,915
Net fixed assets	11,030	14,660	17,079	20,514
Tangibles	10,690	13,810	16,705	20,164
Intangibles	340	850	374	350
Capital Work In Progress	1,270	870	951	1,040
Goodwill	-	-	-	-
Non-Current Investments	16,900	69,110	71,445	73,970
Net Deferred tax assets	1,440	1,530	2,198	2,619
Other Non-Current Assets	13,380	15,520	18,652	21,090
Current Assets				
Investments	21,430	16,350	15,000	25,848
Inventories	149,520	168,740	204,999	236,944
Trade receivables	9,080	9,370	10,988	13,096
Cash & Bank Balance	7,920	8,050	10,217	(2,127)
Other Current Assets	11,010	12,900	13,753	16,389
Total Assets	2,50,880	3,28,620	3,76,283	4,22,495
Equity				
Equity Share Capital	890	890	890	890
Other Equity	1,19,050	1,43,680	1,69,947	2,08,230
Total Networth	1,19,940	1,44,570	1,70,837	2,09,120
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	2,140	33,770	8,571	4,256
Other non current liabilities	13,590	16,660	15,022	17,093
Current Liabilities				
ST Debt / Current of LT Debt	62,800	76,080	1,07,750	1,04,933
Trade payables	9,650	9,430	15,260	17,916
Other current liabilities	42,760	48,110	58,842	69,177
Total Equity & Liabilities	2,50,880	3,28,620	3,76,283	4,22,495

Source: Company Data, PL Research

Cash Flow (Rs m)					Key Financial Metrics				
Y/e Mar	FY23	FY24	FY25E	FY26E	Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	44,650	45,594	49,540	66,470	Per Share(Rs)				
Add. Depreciation	3,640	4,470	5,100	5,952	EPS	38.1	39.3	41.7	56.0
Add. Interest	1,950	2,400	4,800	6,236	CEPS	42.2	44.3	47.5	62.7
Less Financial Other Income	2,990	5,100	2,609	1,985	BVPS	134.8	162.4	192.0	235.0
Add. Other	820	30,880	(31,736)	(6,369)	FCF	(0.8)	54.7	15.5	25.5
Op. profit before WC changes	51,060	83,344	27,704	72,290	DPS	7.5	10.0	11.0	13.0
Net Changes-WC	(35,670)	(16,330)	6,070	(23,473)	Return Ratio(%)				
Direct tax	(11,320)	(10,630)	(12,385)	(16,618)	RoCE	27.0	22.5	21.3	23.3
Net cash from Op. activities	4,070	56,384	21,389	32,200	ROIC	20.1	14.9	15.1	17.3
Capital expenditures	(4,750)	(7,700)	(7,600)	(9,477)	RoE	31.7	26.4	23.6	26.2
Interest / Dividend Income	-	-	-	-	Balance Sheet				
Others	(2,470)	(50,620)	(1,236)	(1,260)	Net Debt : Equity (x)	0.3	0.4	0.5	0.4
Net Cash from Invt. activities	(7,220)	(58,320)	(8,835)	(10,737)	Net Working Capital (Days)	142	131	133	129
Issue of share cap. / premium	(460)	(1,434)	(1,097)	-	Valuation(x)				
Debt changes	9,650	14,800	5,300	(16,000)	PER	85.1	82.5	77.7	57.9
Dividend paid	(6,660)	(8,900)	(9,790)	(11,570)	P/B	24.1	20.0	16.9	13.8
Interest paid	(1,950)	(2,400)	(4,800)	(6,236)	P/CEPS	76.9	73.2	68.3	51.7
Others	-	-	-	-	EV/EBITDA	60.5	59.0	50.9	39.6
Net cash from Fin. activities	580	2,066	(10,387)	(33,806)	EV/Sales	7.6	6.2	5.4	4.5
Net change in cash	(2,570)	130	2,167	(12,343)	Dividend Yield (%)	0.2	0.3	0.3	0.4
Free Cash Flow	(680)	48,684	13,790	22,723					

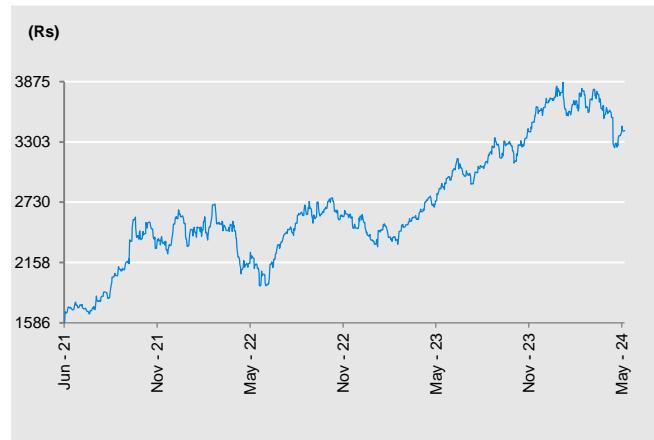
Source: Company Data, PL Research

Quarterly Financials (Rs m)				
Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Net Revenue	1,11,450	1,16,600	1,30,520	1,12,570
YoY gr. (%)	24.4	33.6	20.0	16.0
Raw Material Expenses	88,050	90,500	1,02,160	88,710
Gross Profit	23,400	26,100	28,360	23,860
Margin (%)	21.0	22.4	21.7	21.2
EBITDA	11,030	13,550	14,570	11,090
YoY gr. (%)	(5.2)	9.8	9.5	6.2
Margin (%)	9.9	11.6	11.2	9.9
Depreciation / Depletion	990	1,100	1,180	1,200
EBIT	10,040	12,450	13,390	9,890
Margin (%)	9.0	10.7	10.3	8.8
Net Interest	790	1,060	1,330	1,620
Other Income	990	1,220	1,390	1,500
Profit before Tax	10,240	12,610	13,450	9,770
Margin (%)	9.2	10.8	10.3	8.7
Total Tax	2,470	3,210	3,050	1,910
Effective tax rate (%)	24.1	25.5	22.7	19.5
Profit after Tax	7,770	9,400	10,400	7,860
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	7,770	9,400	10,400	7,860
YoY gr. (%)	(2.0)	9.7	9.4	7.1
Margin (%)	7.0	8.1	8.0	7.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	7,770	9,400	10,400	7,860
YoY gr. (%)	(2.0)	9.7	9.4	7.1
Margin (%)	7.0	8.1	8.0	7.0
Other Comprehensive Income	(10)	(120)	(10)	110
Total Comprehensive Income	7,760	9,280	10,390	7,970
Avg. Shares O/s (m)	890	890	890	890
EPS (Rs)	8.7	10.6	11.7	8.8

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-May-24	Accumulate	3,767	3,534
2	09-Apr-24	Accumulate	3,817	3,682
3	01-Feb-24	Accumulate	3,671	3,627
4	08-Jan-24	Accumulate	3,640	3,706
5	03-Nov-23	Accumulate	3,387	3,275
6	07-Oct-23	Accumulate	3,312	3,310
7	21-Aug-23	Accumulate	3,300	3,050
8	02-Aug-23	Accumulate	3,240	2,977
9	12-Jul-23	Accumulate	3,242	3,088
10	06-Jul-23	BUY	3,242	3,106

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,672	2,710
2	Avenue Supermarts	BUY	5,031	4,612
3	Britannia Industries	Hold	5,315	5,062
4	Colgate Palmolive	Reduce	2,373	2,673
5	Dabur India	Accumulate	563	525
6	Emami	Accumulate	496	457
7	Hindustan Unilever	Accumulate	2,543	2,260
8	ITC	Accumulate	491	441
9	Jubilant FoodWorks	Hold	490	480
10	Kansai Nerolac Paints	Reduce	273	284
11	Marico	Accumulate	606	603
12	Metro Brands	Hold	1,115	1,125
13	Mold-tek Packaging	Hold	891	871
14	Nestle India	Accumulate	2,695	2,563
15	Pidilite Industries	Accumulate	2,980	2,815
16	Restaurant Brands Asia	Accumulate	134	106
17	Titan Company	Accumulate	3,767	3,534
18	Westlife Foodworld	Hold	815	870

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might 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

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates 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. 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.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com