

July 30, 2025

Titan Company Limited: Update on Material Event

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Outstanding
Long term – Fixed Deposit Programme	6,200.00	6,200.00	[ICRA]AAA (Stable)
Short term - Commercial Paper Programme	2,500.00	2,500.00	[ICRA]A1+
Long-term/Short-term - Fund-based/ Non-Fund based facilities	5,200.00	5,200.00	[ICRA]AAA (Stable)/ [ICRA]A1+
Long-term - Fund-based – Term Loans	1,000.00	1,000.00	[ICRA]AAA (Stable)
Total	14,900.00	14,900.00	

*Instrument details are provided in Annexure I

Rationale

Material Event

On July 21, 2025, Titan Company Limited (Titan) notified the stock exchanges about the company's proposed acquisition of a 67% equity stake in Damas LLC, UAE (Damas), which is involved in the jewellery business in the countries under the Gulf Cooperation Council (GCC) through various subsidiaries having 146 showrooms at present. Titan has entered into a definitive agreement with Mannai Corporation QPSC (Mannai), the current holding company of Damas, regarding the acquisition. The initial acquisition of a 67% equity stake of Damas is proposed to be completed by January 31, 2026. The balance stake of 33% in Damas can be acquired by Titan after December 31, 2029, subject to conditions as per the agreement.

Impact of the Material Event

The enterprise value of Damas has been assessed at AED 1,038 million (equivalent to around Rs. 2,440 crore), 67% of which, subject to customary adjustments relating to cash, debt etc., is to be paid for the initial stake acquisition. Titan plans to fund a major portion of the cost of acquisition through debt and the balance from internal accruals. Acquisition debt and a sizeable working capital requirement of Damas will lead to an increase in Titan's consolidated leverage. Although, Titan's consolidated net TOL/TNW (adjusted for cash) is likely to remain above the negative trigger threshold of 1.3 times in the medium term, ICRA believes the same to improve gradually, supported by healthy accretion to reserves and sizeable repayment of long-term debt in FY2026. The proposed acquisition is expected to enhance Titan's geographical and product diversification and revenue growth potential. Damas has a healthy gross margin due to its value-added products, however, its net profitability remained subdued in recent years due to low operational efficiency. ICRA believes the operational efficiency, earnings and revenues of Damas to improve due to significant synergies likely to be derived from the acquisition, given Titan's experience in the jewellery business and own manufacturing facilities. Nevertheless, Titan's consolidated financial leverage and coverage metrics will also remain key monitorable.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Environmental and social risks and Rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery - Retail
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of Titan Company Limited as detailed in Annexure II.

About the company

Titan Company Limited (Titan), formerly Titan Industries Limited, was incorporated in 1984 as a joint venture between the Tata Group and Tamil Nadu Industrial Development Corporation Limited (TIDCO). Titan is the market leader in the domestic branded jewellery industry (with brands like Tanishq, Zoya, Mia and Caratlane) and in the domestic wrist watches segment (with brands including Titan, Fastrack, Sonata and Xylys). In FY2025, the jewellery segment contributed 89% to the consolidated revenue and EBIT of Titan.

As on March 31, 2025, the Tata Group and TIDCO held 25.02% and 27.88% stakes, respectively, in Titan, while the rest is held by institutional investors and public.

Key financial indicators (audited)

Titan Consolidated	FY2023	FY2024	FY2025
Operating income	40,575	51,084	60,457
PAT	3,273	3,495	3,336
OPBDIT/OI	12.0%	10.4%	9.4%
PAT/OI	8.1%	6.8%	5.5%
Total outside liabilities/Tangible net worth (times)	1.3	2.3	2.5
Total debt/OPBDIT (times)	1.9	2.9	3.6
Interest coverage (times)	16.3	8.6	6.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 30, 2025	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fixed deposits programme	Long term	6,200.00	[ICRA]AAA (Stable)	May 05, 2025	[ICRA]AAA (Stable)	Apr 29, 2024	[ICRA] AAA (Stable)	Mar 27, 2024	[ICRA]AAA (Stable)	Jun 03, 2022	[ICRA]AAA (Stable)
				Apr 29, 2025	[ICRA]AAA (Stable)	-	-	Aug 29, 2023	[ICRA]AAA (Stable)	Apr 29, 2022	MAAA (Stable)
				-	-	-	-	Apr 28, 2023	[ICRA]AAA (Stable)	Apr 04, 2022	MAAA (Stable)
Commercial paper programme	Short-term	2,500.00	[ICRA]A1+	May 05, 2025	[ICRA]A1+	Apr 29, 2024	[ICRA]A1+	Mar 27, 2024	[ICRA]A1+	Jun 03, 2022	[ICRA]A1+
				Apr 29, 2025	[ICRA]A1+	-	-	Aug 29, 2023	[ICRA]A1+	Apr 29, 2022	[ICRA]A1+
				-	-	-	-	Apr 28, 2023	[ICRA]A1+	Apr 04, 2022	[ICRA]A1+
Fund-based/ non-fund based facilities	Long-term/ short-term	5,200.00	[ICRA]AAA (Stable)/ [ICRA]A1+	May 05, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Apr 29, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 27, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	Jun 03, 2022	[ICRA]AAA (Stable)/ [ICRA]A1+
				Apr 29, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	Aug 29, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+	Apr 29, 2022	[ICRA]AAA (Stable)/ [ICRA]A1+
				-	-	-	-	Apr 28, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+	Apr 04, 2022	[ICRA]AAA (Stable)/ [ICRA]A1+
Term Loans	Long-term	1,000.00	[ICRA]AAA (Stable)	May 05, 2025	[ICRA]AAA (Stable)	Apr 29, 2024	[ICRA]AAA (Stable)	Mar 27, 2024	[ICRA]AAA (Stable)	-	-
				Apr 29, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fixed deposit programme	Very simple
Commercial paper programme	Very simple
Fund-based/ non-fund based facilities	Simple
Term Loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](https://www.icra.in)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fixed deposit programme	NA	NA	NA	6,200.00	[ICRA]AAA (Stable)
INE280A14468	Commercial paper	Jul 8, 2025	5.70%	Sep 19, 2025	1,000.00	[ICRA]A1+
INE280A14443	Commercial paper	Jun 9, 2025	6.10%	Sep 8, 2025	1,275.00	[ICRA]A1+
INE280A14450	Commercial paper	Jun 16, 2025	5.82%	Aug 25, 2025	225.00	[ICRA]A1+
NA	Fund-based/ non-fund based facilities	NA	NA	NA	5,200.00	[ICRA]AAA (Stable)/ [ICRA]A1+
NA	Term loan-I	FY2024	NA	FY2027	400.00	[ICRA]AAA (Stable)
NA	Term loan-II	FY2024	NA	FY2027	440.00	[ICRA]AAA (Stable)
NA	Term loan-III	FY2026	NA	FY2029	160.00	[ICRA]AAA (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Titan's ownership	Consolidation approach
Titan Engineering & Automation Limited (TEAL)	100%	Full consolidation
Titan Commodity Trading Limited	100%	Full consolidation
Titan Holdings International FZCO, Dubai (THIF)	100%	Full consolidation
TCL North America Inc.	100%	Full consolidation
Caratlane Trading Private Limited (CTPL)	100%	Full consolidation
Titan Global Retail L.L.C, Dubai (Subsidiary of THIF)	100%	Full consolidation
Titan International QFZ LLC, Qatar (Subsidiary of THIF)	100%	Full consolidation
TEAL USA Inc. (Subsidiary of TEAL)	100%	Full consolidation
StudioC Inc (Subsidiary of CTPL)	100%	Full consolidation
Titan Watch Company Limited Hongkong (Subsidiary of THIF)	100%	Full consolidation
Green Infra Wind Power Theni Limited	27%	Equity method

Source: The company's annual report

ANALYST CONTACTS

Mr. Jitin Makkar
+91 124 4545 300
jitinm@icraindia.com

Mr. Srikumar Krishnamurthy
+91 44 4596 4318
ksrikumar@icraindia.com

Mr. Sujoy Saha
+91 33 6521 6805
sujoy.saha@icraindia.com

Mr. Sovanlal Biswas
+91 33 6521 6808
sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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