

March 31, 2026

Titan Company Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fixed Deposit Programme	6,200.00	6,200.00	[ICRA]AAA (Stable); reaffirmed
Long-term/Short-term - Fund-based/ Non-fund based facilities	7,305.00	14,750.00	[ICRA]AAA (Stable)/ [ICRA]A1+; reaffirmed/assigned for enhanced amount
Long-term - Fund-based – Term Loans	1,000.00	1,000.00	[ICRA]AAA (Stable); reaffirmed
Total	14,505.00	21,950.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation considers Titan Company Limited's (Titan) continuing strong performance, which is expected to sustain over the medium term on the back of its market leadership position in the organised jewellery retail and wristwatch segments. The ratings continue to draw comfort from Titan's robust financial risk profile, notwithstanding an increase in its leverage in the recent past. Besides the jewellery and watches/wearable segments, Titan's established market position in the organised eyecare segment, growing footprint in the emerging businesses including dresswear, fragrances/fashion accessories, coupled with rising order book and revenues of the engineering and automation business provide scope for future growth and earnings diversity, to some extent. Titan's consolidated operating income grew by 33% in 9M FY2026, on a YoY basis, following a 18% rise in FY2025, supported by buoyant gold prices and a double-digit growth in the non-jewellery segments. Its consolidated operating margin moderated by 94 basis points to 9.4% mainly because of the import duty cut on gold in July 2024, which impacted the profits in Q2 and Q3 of FY2025. However, the consolidated OPBDITA, at an absolute level, improved in FY2025, driven by a healthy revenue growth. In 9M FY2026, the company's consolidated operating margin stood at 10.6%, reflecting a YoY improvement of 115 basis points, with the margin in the preceding period having been impacted by the import duty cut. The margin expansion in 9M FY2026 was supported by the operating leverage from revenue growth, premiumisation in the watch segment, and improved performance of the engineering and automation division. The operating margin expansion and healthy revenue growth led to a material increase in the consolidated net profit by 58% in 9M FY2026 on a YoY basis, to Rs. 3,894 crore. Improved profitability led to a higher interest coverage of 7.7 times in 9M FY2026 vis-à-vis 5.9 times in 9M FY2025, despite increased interest outgo due to rise in borrowings.

ICRA notes that the company's consolidated capital structure has recorded some moderation since FY2024. Debt-funded acquisition of the residual stake of 27.91% in the subsidiary, Caratlane Trading Private Limited (CTPL), in FY2024, an increase in the working capital borrowings (in tandem with scale expansion and gold price rally) and adjustment of the acquisition cost (around Rs. 4,700 crore for the additional stake of CTPL with reserves/retained earnings) negatively impacted Titan's consolidated net worth. Consequently, the net (adjusted for cash) total outside liabilities/tangible net worth (net TOL/TNW) increased to 2.0 times as on March 31, 2024 from 1.0 times in the preceding year and stood at 2.2 times as on March 31, 2025. The consolidated net TOL/TNW (adjusted for cash) is likely to increase further in the current fiscal, despite a sizeable repayment of long-term debt. This is because of increased working capital borrowings in tandem with a sharp rise in gold prices coupled with the consummation of acquisition of a 67% stake in Damas LLC, UAE (Damas). The latter is involved in the jewellery business in countries under the Gulf Cooperation Council (GCC) through various subsidiaries having 146 showrooms at present, as announced by the company earlier. A fresh debt (around Rs. 1,250 crore) raised for the acquisition and addition of the working capital borrowings of Damas would result in a rise in the consolidated debt level. However, Titan's credit metrics are likely to improve gradually, going forward, supported by healthy accretion to reserves and a reduction in the working capital

requirement for business growth, going forward, due to the company's planned store expansion primarily through the asset-light franchisee models, wherein the store inventories will be funded by business partners. Moreover, Titan's prudent hedging practices for its gold inventory minimise the risks of losses, notwithstanding its high working capital borrowings.

ICRA expects Titan's revenue growth and cash accruals to remain healthy, driven by accelerated formalisation of the jewellery retail industry, the company's strong brand equity and planned expansion of its retail presence across the operating segments. Titan's operating margin is expected to remain above 10% over the medium term, with the benefits of operating leverage, prudent hedging practices and healthy revenue share of higher-margin studded jewellery despite rising competition and front-loaded operating expenses on planned store additions. The ratings continue to consider Titan's healthy brand equity and customer acceptance of its products along with the exceptional financial flexibility enjoyed by the company for being a part of the Tata Group. The ratings, however, continue to factor in Titan's exposure to regulatory risks and intense competition in the domestic jewellery retail industry. Any unanticipated regulatory changes, as witnessed in the past, could have a material adverse impact on the business profile of the company. Nevertheless, ICRA draws comfort from the large size of the domestic jewellery industry, Titan's brand strength and a continuing shift of market share towards the organised sector, which translate into favourable long-term growth prospects for the company. The acquisition of Damas is expected to enhance Titan's geographical and product diversification and revenue growth potential. The operational efficiency, earnings and revenues of Damas are expected to improve due to synergies likely to be derived from the acquisition, given Titan's standing in the jewellery business and own manufacturing facilities. Titan's existing operations in West Asia and that of Damas are likely to be impacted to some extent due to the ongoing conflict in West Asia, however, the same is unlikely to have any material impact on the overall performance of Titan, given a low share of the revenues from the region, at present.

The Stable outlook on the long-term rating reflects ICRA's opinion that Titan's overall credit profile will remain robust, notwithstanding an increase in its leverage in the recent past, driven by its strong parentage and exceptional financial flexibility, a solid competitive position, expanding retail presence and industry tailwind for the organised jewellery sector, in which Titan is a market leader.

Key rating drivers and their description

Credit strengths

Market leadership position in the branded jewellery and wristwatch industries with a large scale of operations – Titan has four operating segments in its retail business – jewellery, watches and wearables, eyecare and fragrances, women's clothing and fashion accessories. Besides, it provides engineering and automation solution through the subsidiary, Titan Engineering & Automation Limited (TEAL). While the jewellery segment accounts for almost 90% of Titan's consolidated operating income and EBIT, the other consumer retail segments and the engineering segment provide diversification and are likely to drive business growth over the medium term. The company maintains a geographically diversified retail presence with more than 3,400 retail stores as on December 31, 2025, including 33 overseas jewellery and eyecare stores in the Gulf countries, the US and Singapore. Titan is India's leading jewellery retailer with a strong brand equity across its flagship brands namely Tanishq, Mia, Zoya and Caratlane. The jewellery segment's revenue rose at a CAGR of 26% between FY2020 and FY2025 and grew by 34% in 9M FY2026, on a YoY basis. Titan is also a dominant player in the Indian wristwatch industry with a wide distribution and service network, a diversified product portfolio across price segments and established brands like Titan, Fastrack, Sonata and Xylys. Planned retail expansion and regular new product launches are likely to continue to support Titan's business growth over the medium term.

Favourable long-term growth prospects for organised jewellery retailers – Increasing regulations in the jewellery retail industry, aimed at improving transparency and standardisation over the recent years, have accelerated the shift in the market share from unorganised to organised players. The industry tailwinds are expected to benefit the organised jewellery retailers like Titan over the medium term, supported by its strong brand equity and increasing retail presence. The customs duty cut by 9%, from 15%, in July 2024 disincentivised unofficial imports, thus benefiting the organised players.

Exceptional financial flexibility owing to strong parentage and healthy earnings to support the financial profile – Titan enjoys exceptional financial flexibility owing to its status as a Tata enterprise. The company has sizeable unsecured limits from banks, which can be utilised to meet incremental funding requirement, if any, providing a significant liquidity back-up. Historically, its

capital structure remained conservative, which coupled with healthy earnings, kept its debt coverage metrics strong. Nevertheless, the capital structure has recorded some moderation since the debt-funded acquisition of the incremental stake in its subsidiary, CTPL, in FY2024. This along with an increase in the working capital borrowings in tandem with a sharp rise in gold prices and adjustment of the cost of acquisition (around Rs. 4,700 crore) of the incremental stake in CTPL with reserves/retained earnings impacted the company's capital structure. Consequently, the consolidated net TOL/TNW (adjusted for cash) inched up to 2.0-2.2 times over the last two fiscals from 1.0 times as on March 31, 2023. In the current fiscal, the company's overall inventory and debt levels have increased on the back of a sharp rise in gold prices. Besides, the consummation of the acquisition of 67% stake in Damas, which was announced earlier by the company, has also led to the addition of acquisition debt and working capital debt for Damas operations to the consolidated entity. As a result, Titan's consolidated leverage is expected to increase further in the current fiscal, despite maturity of the NCDs availed earlier for the acquisition of residual stake in CTPL. Nevertheless, healthy accretion to reserves coupled with lower working capital requirement for business growth due to the company's planned store addition mainly through the asset-light franchisee models are likely to strengthen the leverage metrics gradually. The company's consolidated interest coverage declined to 6.0 times in FY2025 from 8.6 times in FY2024 and 16.3 times in FY2023 as the interest expenses increased with significant fresh borrowings. However, the interest coverage improved to 7.7 times in 9M FY2026 from 5.9 times in 9M FY2025, owing to a significant increase in its operating profit. Titan's operations are working capital intensive as a significant stock of gold jewellery needs to be maintained in its large number of stores. However, conservative gold sourcing and hedging strategies mitigate its financial risks. Its healthy profits at an absolute level kept the consolidated ROCE comfortable above 20% during FY2022 to FY2024. The same moderated slightly to around 19% in FY2025 due to the one-time loss arising from customs duty cut and is likely to be impacted to some extent by the elevated inventory level in the current fiscal due to the sharp rally in gold prices and the recent acquisition of Damas but would remain healthy. The company's capital expenditure requirement for store expansion is likely to remain moderate compared to accruals, given the franchisee-based business model for most of the stores.

Credit challenges

Exposed to regulatory risks and seasonality in demand – The domestic jewellery retail industry remains exposed to the risks arising from the evolving regulatory landscape, which could have an adverse impact on Titan's business. Mandatory disclosure of PAN on transactions above a threshold limit, imposition of GST and demonetisation are some regulatory developments that impacted demand and supply in the past. Titan remains exposed to changes in regulations that may adversely impact its business. Revenues and cash flows of the jewellery players are also exposed to volatility in gold prices and seasonality in demand, based on the number of auspicious days, festivals, crop harvest etc.

Exposed to intense competition from organised and unorganised players – The jewellery retailing industry is highly fragmented and intensely competitive with presence of large organised and unorganised players, impacting the pricing flexibility. Competition has increased in the recent years owing to continuous store addition by regional and national jewellers and entry of new players. Nonetheless, Titan's market leadership position along with a strong recall of its Tanishq, Zoya, Mia and Caratlane brands are expected to support its operating performance in the existing and new markets. While the performances of the watches and eyecare segments have improved after the pandemic, their business remains exposed to competition from local as well as e-commerce retailers.

Environmental and social risk

Environmental considerations – Exposure to environmental risks remains low for entities in the jewellery retail industry. Few concerns include episodes of excessive rainfall/flooding in the operating regions, impacting its jewellery stores. Additionally, possibility of rural demand for jewellery moderating during periods of crop loss, caused by physical climate change, also pose risks to revenue growth and profitability.

Social considerations – Exposure to social risks remains moderate for entities in the jewellery retail industry. The sector has witnessed increased focus on product quality and transparency in pricing, which supported consumer confidence. Yet, the industry participants remain exposed to changes in consumer behaviour, including a shift towards lightweight daily/ fashion

jewellery. Additionally, with a relatively higher requirement of workforce for store operations and jewellery manufacturing, the level of wages and associated fixed costs could weigh on the margins, given the skilled nature of work.

Liquidity position: Strong

Titan's liquidity is expected to remain Strong. Its consolidated cash flow from operations is likely to remain muted in FY2026 due to a significant rise in the working capital requirement on the back of buoyant gold prices, however, the liquidity is likely to remain healthy, going forward. The company's healthy liquidity buffer, with free cash, bank balance and liquid investments (more than Rs. 1,700 crore as on March 31, 2025) apart from sizeable unutilised bank limits (above Rs. 10,000 crore as of May 2025) support its liquidity. Exceptional financial flexibility, due to the strong parentage, eases Titan's access to capital markets and bank borrowings, as reflected by a large share of unsecured loans from lenders. Besides, advances received from customers under jewellery deposit/purchase schemes (around Rs. 3,760 crore including around Rs. 1,700 crore under deposit schemes as on March 31, 2025) meet a portion of Titan's working capital requirement. Nevertheless, the company has a significant scheduled long-term debt repayment of around Rs. 2,700 crore in FY2026 and nearly Rs. 500 crore in FY2027 (excluding the bridge loan of around Rs. 1,250 crore raised for acquisition of Damas, which is expected to be refinanced in due time). Besides, the company pays sizeable dividends (Rs. 900-1,000 crore paid annually over the last two fiscals), and its consolidated capex for retail store expansion and capacity expansion for the engineering segment is likely to remain in the range of Rs. 300-400 crore per annum. However, the scheduled debt repayment and cash outlays towards dividend and capex would be comfortably met from expected healthy cash flow from operations, going forward, sizeable free cash and liquid investments and undrawn bank limits.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on Titan's ratings could arise if it witnesses higher demand challenges than the industry peers, or upon structural changes in the sector for various reasons including adverse regulatory developments. Further, the ratings may come under pressure if the company's financial leverage increases materially because of large acquisition(s) or capex, or if the share of working capital borrowings (or other short-term sources of financing) for inventory funding is significantly and durably more than what it has been historically.

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 (Titan). The entities consolidated with Titan are listed 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 Xyllys). In FY2025, the jewellery segment contributed 89% to the consolidated revenue and EBIT of Titan.

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

Key financial indicators (audited)

Titan Consolidated	FY2024	FY2025	9M FY2025*	9M FY2026*
Operating income	51,084	60,457	45,540	60,664
PAT	3,495	3,336	2,465	3,894
OPBDIT/OI	10.4%	9.4%	9.1%	10.6%
PAT/OI	6.8%	5.5%	5.4%	6.4%
Total outside liabilities/Tangible net worth (times)	2.3	2.5		
Total debt/OPBDIT (times)	2.9	3.6		
Interest coverage (times)	8.6	6.0	5.9	7.7

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; *Unaudited

Status of non-cooperation with previous CRA: Not applicable
Any other information: None
Rating history for past three years

Instrument	Type	Current ratings (FY2026)				Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Mar 31 2026	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fixed deposits programme	Long term	6,200.00	[ICRA]AAA (Stable)	Sep 29, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
				Sep 03, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
				Jul 30, 2025	[ICRA]AAA (Stable)	Apr 29, 2024	[ICRA] AAA (Stable)	Mar 27, 2024	[ICRA]AAA (Stable)	Jun 03, 2022	[ICRA]AAA (Stable)
				May 05, 2025	[ICRA]AAA (Stable)	-	-	Aug 29, 2023	[ICRA]AAA (Stable)	Apr 29, 2022	MAAA (Stable)
				Apr 29, 2025	[ICRA]AAA (Stable)	-	-	Apr 28, 2023	[ICRA]AAA (Stable)	Apr 04, 2022	MAAA (Stable)
Commercial paper programme	Short-term	0.00	-	Sep 29, 2025	[ICRA]AAA (Stable); Withdrawn	-	-	-	-	-	-
				Sep 03, 2025	[ICRA]A1+	-	-	-	-	-	-
				Jul 30, 2025	[ICRA]A1+	Apr 29, 2024	[ICRA]A1+	Mar 27, 2024	[ICRA]A1+	Jun 03, 2022	[ICRA]A1+
				May 05, 2025	[ICRA]A1+	-	-	Aug 29, 2023	[ICRA]A1+	Apr 29, 2022	[ICRA]A1+
				Apr 29, 2025	[ICRA]A1+	-	-	Apr 28, 2023	[ICRA]A1+	Apr 04, 2022	[ICRA]A1+
Fund-based/non-fund based facilities	Long-term/short-term	14,750.00	[ICRA]AAA (Stable)/[ICRA]A1+	Sep 29, 2025	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	-	-	-	-
				Sep 03, 2025	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	-	-	-	-

				Jul 30, 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+
				May 05, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	Aug 29, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+	Apr 29, 2022	[ICRA]AAA (Stable)/ [ICRA]A1+
				Apr 29, 2025	[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)	Sep 29, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
				Sep 03, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
				Jul 30, 2025	[ICRA]AAA (Stable)	Apr 29, 2024	[ICRA]AAA (Stable)	Mar 27, 2024	[ICRA]AAA (Stable)	-	-
				May 05, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
				Apr 29, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fixed deposit programme	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](#)

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)
NA	Fund-based/ non-fund based facilities	NA	NA	NA	14,750.00	[ICRA]AAA (Stable)/ [ICRA]A1+
NA	Term loan-I	FY2024	NA	FY2027	300.00	[ICRA]AAA (Stable)
NA	Term loan-II	FY2026	NA	FY2029	120.00	[ICRA]AAA (Stable)
NA	Term loan-III	-*	NA	-*	580.00	[ICRA]AAA (Stable)

Source: Company; *Proposed/untied amount

[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
Signature Jewellery Holding Limited, UAE* (Subsidiary of THIF)	67%	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: Company's annual report and quarterly results; *With effect from October 9, 2025

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