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11th November 2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra, India
Scrip Code: 500114

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra
Symbol: TITAN

Dear Sir/ Madam,

Sub: Earnings Call Transcripts

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the exchanges that the transcript of audio call recording of the Company's Analyst Call to discuss the unaudited Financial Results (Standalone and Consolidated) for the second quarter and half year ended 30th September 2026 is attached herewith.

The transcript is also available on the website of the Company: www.titancompany.in

Kindly take the same on record and acknowledge receipt.

Yours truly,
For TITAN COMPANY LIMITED

DINESH SHIVANNA SHETTY
Digitally signed by DINESH SHIVANNA SHETTY
Date: 2026.11.11 14:28:21 +05'30'

Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated

“Titan Company Limited’s Q2FY’27 Earnings Conference Call”

November 05, 2026

TITAN MANAGEMENT SPEAKERS:

MR. AJOY CHAWLA	**– MANAGING DIRECTOR, TITAN COMPANY**
MR. ASHOK SONTHALIA	**– CHIEF FINANCIAL OFFICER**
MR. ARUN NARAYAN	**– CEO, JEWELLERY DIVISION**
MR. KURUVILLA MARKOSE	**– CEO, WATCHES DIVISION**
MR. RAGHAVAN N S	**– CEO, EYECARE DIVISION**
MR. SAUMEN BHAUMIK	**– MANAGING DIRECTOR, CARATLANE**

Sensitivity: Internal

Moderator: Ladies and gentlemen, good day and welcome to Titan Company Limited's Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ajoy Chawla, Managing Director, Titan Company Limited. Thank you, and over to you, Mr. Chawla.

Ajoy Chawla: Thank you. Good evening to everybody on the call. Thank you for being part of this. It has been another very fulfilling quarter. We have seen fantastic growth at a consolidated level across most of our brands and businesses, and all of them clocking in very healthy growths, driven, of course, by a lot of focus on innovation and prioritizing growth over everything else, given the opportunity that India offers. It looks like very exciting times for us, despite it being a very volatile quarter in terms of some macros. But overall, a very, very good quarter.

With that, I hand over to Ashok, our CFO, to share some opening remarks.

Ashok Sonthalia: Thank you, Ajoy. Good evening, everyone. I just thought I will take this opportunity to clarify on particularly two items, so that we all are on same page. One is related to customs duty gains. We continue to, as we spoke after quarter one, this quarter also saw a good amount of customs duty gain, which is estimated at ₹490 crores for quarter two in Titan Jewellery division and ₹46 crores in CaratLane. Normalized margin, once you do adjustment for this, on Titan Jewellery business would be 11.1%.

The other thing in jewellery, which we have spoken last time, that a large part of MTM gain of quarter one reversed this quarter, which would impact jewellery margin by about 60 basis points. And if you normalize for that, then TMZ, which is Titan Jewellery business margin, would be 11.7%.

Another important item, which is rather new on our P&L, on the face of P&L we have disclosed it separately, is related to liability towards the second tranche for the Damas acquisition. This amount is ₹671 crores. As per Ind AS 109, any financial liability has to be fair valued at every accounting period.

And with the current environment, when we looked at our liability at the end of four years, which was accounted for in our books of accounts at ₹1,668 crores, the reassessed liability is less by ₹671 crores. Please note that this assessment will happen at the end of every quarter, and depending on the recovery trajectory of the Damas, there could be pluses and minuses on account of this.

But we will continue to disclose it separately so that everyone can understand the nature of that number, and all other performance metrics are looked at normalizing for this adjustment. We

Sensitivity: Internal

continue to certainly believe in the long-term opportunity that Damas represents, and we believe as soon as the geopolitical environment and the conflict situation improves, all the investments are in place to ensure that that long-term opportunity gets realized at the Titan group level.

With that, I will open the floor for questions, and we will be very happy to answer. All of us are here to answer your questions. Thank you.

Moderator: Thank you very much, Sir. We will now begin the question-and-answer session. The first question is from the line of Videesha Sheth from Ambit Capital. Please go ahead.

Videesha Sheth: Hi. My first question was on domestic jewellery EBIT margin. In case of Tanishq, Mia and Zoya, you have talked about investments going to higher competition. So which price points or categories or regions is this persisting in? When you talk about investments, are there any incremental schemes beyond the 0% deduction on old gold, or is it more from an ad campaign perspective?

Just in continuation to this, even CaratLane has seen pressure on margins from 10.2% in the base period to 6.5%. Does the same competition argument apply there from the challenger daily wear brand, or has it got to do with the festive shift? That would be my first question.

Ashok Sonthalia: So, let me take this question and then maybe Arun and Saumen can add to that. I am Ashok here. Since increase in customs duty, the domestic market has been operating at a discount compared to international. I am talking about gold prices. That leads to the gold price realization pressure. We also must understand that this is the second, the other side of the coin. One side is the customs duty gain of ₹490 crores, and this pressure is the other side of the coin. So we are normalizing that gain completely, and we are talking this in isolation. Actually, we should look at both sides of the coin, that we are gaining on customs duty, but there is certainly pressure on gold price realization because the entire market is doing that.

As far as CaratLane is concerned, they have making a conscious choice to invest on brand building and some of the talent-related investments. And of course, the promotional offers, etcetera, were at elevated level in this quarter.

But if you look at the entire H1 margin profile of CaratLane, still remains healthy, still remains as per our plan that gradually their EBIT margin should start inching up from 8% to 9%, and then further from there in next couple of years. But anything, Arun, Saumen, you want to add?

Saumen Bhaumik: No, I am done.

Ashok Sonthalia: Yes. Yes. No, so that is what, if I do not know whether…

Videesha Sheth: Got it. No, that answers. And the second one is if you can share your observations on the secondary and consumer level trends during this festive versus last festive across all your consumer segments?

Sensitivity: Internal

Arun Narayan: Okay, Arun here. I will start with Tanishq, Mia, Zoya. This year festive pretty much can be seen in three phases. The first phase of Navratri from October 11 to October 22, then the second phase in between, and now we are in the last leg with Dhanteras tomorrow.

The first phase of Navratri, we saw good consumers, positive consumer sentiments and good traffic to our stores. Pretty much from the day of Vijayadashami for the next few days, there was some softness owing to gold rate volatility, which kept customers away. But pretty much from the last weekend, which was October 31, we have seen customers come back as we saw an all-time low perhaps of the last many months, last weekend.

At an overall level from the start of the festive season till today, gold is kind of softer, which is bringing back customers in, and we hope to see a pretty strong ending to the season over the next few days till November 10. So a very strong start, a very expected strong ending, but a few days in between that were a little soft.

On the qualitative side, I think it has been a good run on studded jewellery sustains. As you recall, this began for us pretty much the start of this calendar year. So we have seen three quarters of good studded growth, which continues during the festive as well.

And overall, so far, there has been a greater demand for adornment and greater demand for core jewellery, while there is the softness on coins and investment buying, which began in quarter two, which we saw towards August and September. We see that sustaining during festive as well. Although we see the peak of investment buying in the last few days. So we could see perhaps some greater interest today, tomorrow, and through the weekend. But so far, it seems like a soft interest in investment buying and a greater interest in buying studded and gold jewellery.

Saumen Bhaumik: And just to add from CaratLane, during the 24 days of festive season, we, barring for one week, I think we have seen a very healthy growth in terms of both revenue as well as buyer growth. So, tomorrow is really the day, and hopefully things work out.

Videesha Sheth: Thanks. Watches and eyewear, if there are any quick thoughts?

Ashok Sonthalia: Yes, just watches, but if there is anything.

Kuruvilla Markose: Festive was. This is Diny here. Watches, generally festive doesn't really do that well, but this time around, in October, we had pretty good growth, better than Q2. The momentum looks good, and particularly in the price points of ₹25,000 to ₹1 lakh, which is an area that we have been gaining share, we have done really well.

Videesha Sheth: Thanks for that. I will get back in the queue.

Ajoy Chawla: Eyewear is not driven by festive.

Videesha Sheth: Yes.

Sensitivity: Internal

Ajoy Chawla: Eyewear does not have a festive SKU, so it may not be relevant.

Videesha Sheth: Yes, sure. Thanks for that. I will get back in the queue.

Moderator: Thank you. Next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Hi, Sir. Thanks for taking my question. Gold price has been on a dipping trend. The benefit in H2 will reduce further from gold price perspective. Wanted to check, in the interim, we did take some initiatives around light weighting, lower cartages, etcetera, when gold price was going up. Wanted to check if we can do some assortment correction to sort of build volumes when the gold price is sort of on a dipping trend. If you could share some views on that?

Arun Narayan: Yes, I think it is a relevant question given that situation. And we have been working on 18-carat gold for core gold jewellery, both in wedding and daily wears, and also 14-carat in Tanishq studded jewellery and up to nine-carat in Mia. And so far, it has built a good catalogue and a good availability across stores in the last 9 to 10 months, and it is growing at a very fast clip, and we are seeing good adoption by customers, both in traditional gold, 18-carat, as well as studded jewellery in 14-carat.

Obviously, there is a geographic skew to that, and some geographies are adopting much faster, like the North and the West. But overall, very happy with the way the customer response has been to lower cartages.

Light weighting, I think, has been there for the last two to three years. In fact, ever since COVID, we have been kind of focusing on making jewellery more accessible, and that has been an ongoing trend. And we are also adding things like detachables and multiple ways of wearing jewellery through modularity. So, many things that are ongoing, but the results are quite satisfactory.

Devanshu Bansal: Sure. Sir, my question was, can we think of reversing these initiatives? Because now the gold price benefit will be relatively lower, and maybe we need to sort of increase volume. Is there any thought process around going back to 22-carat sort of jewellery?

Arun Narayan: No, I think as a market leader, the objective is to give choices to customers and leave it to customers as to what to buy. We have a very good assortment of 22-carat. Whatever we have done is without really compromising the core of Tanishq, and it is really an add-on choice. And I think that is the fundamental role of a retailer, to give choice to customers and then allow customers to choose what is in their interest.

I do not think we are trying to navigate the ship based on short-term movements. I think in the long run, it will help us be accessible, it will help us gain customer share, help us gain buyer growth. So, it is a strategic tool which we think will give us a greater customer preference, and therefore not something to kind of chop and change based on movements in gold rate. It is a long-term strategic decision we have taken, and we would like to stick with it.

Sensitivity: Internal

Devanshu Bansal: Got it. Sir, just last one book-keeping. The board has approved raising of ₹2,500 crores capital. Wanted to check, is this restructuring or fresh capital that we are raising in the business?

Ashok Sonthalia: This is a replenishment of some of the existing borrowing. It is not additional borrowing.

Devanshu Bansal: Got it, Sir. Thanks for taking my questions. Festive greetings. Thank you.

Moderator: Thank you. Next question is from the line of Mihir Shah from Nomura. Please go ahead.

Mihir Shah: I'm checking if I'm audible.

Ajoy Chawla: Yes, you are audible.

Mihir Shah: Good evening. Thank you for taking my question. Apologies if this is a repetitive question because I joined a bit late. Just wanted to check on the jewellery margin bit. I mean, there was an MTM impact that we had seen which was going to happen, which would have actually impacted this quarter margin. So, the 11.1% that we are seeing, is there any impact of MTM sitting out there? If one has to strip that out, what is the level of margin that one can see?

Ashok Sonthalia: We answered actually upfront, and we were saying that normalized for MTM is 11.7%. The other point, since you asked it, I want to add, with the current, the way gold price behaves, the way our volume and forwards, futures, etcetera, valuation happens, it has become part and parcel of our P&L that 40-50 basis point of MTM pluses, minuses will keep happening, and we need to live with this.

This is the thought I am leaving that we should not all the time be very worried about some of these things. These 40, 50, 60 basis point MTM pluses, minuses will keep happening quarter on quarter.

Mihir Shah: No, absolutely appreciate that, Ashok sir. I just wanted to understand because if your gold coin sales, which had become closer to mid-teens, which is like a 2%, 3% margin business, if I am not mistaken, has reduced in high single digits, that actually gives a kicker to the margin profile. That one was hoping to see a better margin profile than 11.1% is why I asked that question.

In continuation with that, given I think I heard Arun mentioning that investment-led jewellery demand is lower. Should one expect in the near term, at least because of this mix shift or mix change that we are undergoing in the near term, can one expect margin profiles to be tad higher than the 11% mark that we have been doing?

Ashok Sonthalia: I think we still, Mihir, would like to anchor our margin target at around 11%. Growth remains a priority. As I spoke about in also, that the way gold prices are behaving in Indian market, because of various reasons, they are many times at discount to international prices. There are different kind of pulls and pressure in the market, and which we also need to respond to. We would not, as far as FY27 is concerned, change our stance on margins.

Sensitivity: Internal

Mihir Shah: Understood. Fair point. Secondly, on October sales, specifically not on the festive demand. I heard your reply on festive demand. But only on October sales, given that there will be a case of lapping of 40% plus base from going forward, how should one think about the buyer growth, footfalls, or the October demand? Any colour on that front actually will be very helpful.

Arun Narayan: No, nothing that you should read for the month of October because it's not a like-to-like kind of base. We'll perhaps update post at the next interaction to give you a longer-term sense of things. Because of the shift, it's a significant shift. So, yes.

Mihir Shah: Any near-term colour, Arun, if you can share on how one should think about Q3, Q4 revenue growth momentum because of the base and the way gold prices are going down?

Arun Narayan: No, I think really what is a priority for us, which we had mentioned also in the analyst meet, our number one priority is to drive buyer growth, and everything we are doing is to drive buyer growth. The cushion that we may get on gold rate-related ticket size is a little, let's say, external to whatever we do.

Therefore, everything that we do is to do with driving buyer growth. In quarters ahead, if we project that we may not get too much of cushion on the gold rate, we would step up our efforts to drive buyer growth. And particularly in the core jewellery, without really worrying or focusing on coins and investment-related purchases. So that's where our focus will always be. In times when we don't get that cushion, we will work doubly hard to drive buyer growth. Like the first quarter was almost a doubling. Last quarter was a 47% jump in gold rate versus last year. This quarter may be in a single digit, the way things are going. So that puts a greater responsibility on us to drive buyer growth, keeping in mind the CAGR and the goal that we have set for ourselves, which is a longer-term plan that we have shared with you all.

Mihir Shah: Understood. Fair point. No, I appreciate that point. Lastly, if I can just quickly check on watch margins. I believe they were quite good. Any colour you can share on the reasons for the drivers for the watch margin and how should one think about I mean, of course, maybe these may not be sustainable ones, but maybe is there a case for a near-term sustainability of sorts on near-term watch margins?

Kuruvilla Markose: Diny here. This quarter, we've had a really good story on Edge, driven partly by the Made in India: A Titan Story piece, as well as the launch of a good set of products that took price points up and therefore margins up. So that was beneficial. But even across the other categories, like I mentioned, the ₹25,000 and above price point sales was also really positive. So that is largely the reason for the better margin performance, and we certainly hope it will continue.

Mihir Shah: Got it. Thank you very much, and wishing all the very best.

Kuruvilla Markose: Thank you.

Arun Narayan: Thank you.

Moderator: Thank you. Next question is from the line of Jay Doshi from Kotak Securities. Please go ahead.

Sensitivity: Internal

Jay Doshi: Hi. Thanks for the opportunity. Two questions from my side. First one is the clear improvement in studded growth that you are seeing during the course of this calendar year. Is that an industry-wide sort of phenomenon, or are you benefiting from Diamond Expertise Centres that you are setting up? Can you give us some colour on that?

Arun Narayan: No, I think to be honest about this, it is an industry-wide phenomenon. As you are aware, we are a low diamond penetration country. And perhaps over the last couple of years, the move was towards buying gold jewellery given the pace at which gold was appreciating. And from January of this year, we are seeing a secular trend where customers are demonstrating greater interest in natural diamonds.

It is a month-on-month sustainable kind of track. But we think it is an industry-wide thing. As far as the benefits of Diamond Expertise Centre, it will play out over time. We have now reached about 250+ stores. So it is a longer-term move, and it will perhaps play out or give benefit in the coming months.

Ajoy Chawla: I will add a flavour to it. Ajoy here. I also believe as a country, we are young. A lot of young customers are entering the market. So we are seeing that reflect across the entire portfolio. And younger segments are quite comfortable buying studded jewellery.

That is the reading I would pick up. It may be a thin slice, but at least three, four brands that I see, there is a certain positive upswing. Therefore, CaratLane is doing well, Mia is doing well, and several other players are also picking up good volume. That could be another force at play.

Jay Doshi: Understood. Now on plain gold jewellery growth this quarter, it was a tad softer than what perhaps we were hoping for. Have you seen any slowdown or higher competitive intensity, any particular region that is dragging down the growth for you? Or was this 20% odd growth, basically, I mean, slower growth in plain gold jewellery similar across all the regions?

Arun Narayan: No, I think it's an industry-wide phenomenon. Many players have experienced similar softness in the last month of last quarter, and we saw that play out last year as well as customers wait for better gold rates, given their understanding of how things may change closer to festive. It's not to do with competitive pressure, but I think everyone has seen that softness in September.

And if you knock off the coins part purely in core jewellery sense, perhaps it's a few percentage points better. Once you add coins to it looks the way it looks. And even if you see the WGC, World Gold Council data for quarter two, you will see that there has been a significant drop as an industry on coins and bars. So you need to separate that out, and perhaps it looks a little better. But notwithstanding that, there has been, let's say, a pent-up demand as we enter the festive season, perhaps in gold jewellery.

Jay Doshi: Sure. One last one, if I may.

Ajoy Chawla: Please go ahead.

Arun Narayan: Yes, yes, go ahead.

Sensitivity: Internal

Jay Doshi: Sorry, I will get back in the queue.

Moderator: Thank you. Next question is from the line of Nihal Mahesh Jham from HSBC. Please go ahead.

Nihal Mahesh Jham: Yes. Hi, team. Good evening. I had two questions. The first was on TMZ. Our buyer growth was 5% in Q1. We have seen it obviously become flat. Just wanted to understand, is it because of the festive shift or the gold coin, or your comments on it?

Arun Narayan: Both of that, Nihal. Both the festive shift as well as the gold coin and investment buying, both have contributed.

Nihal Mahesh Jham: And has that then improved in the overall festive season in terms of buyer growth turning positive?

Arun Narayan: Yes. I will say it is better than that, but a lot depends on these last few days. I hope I can say that at the end of festive period. Do wish us luck on that.

Nihal Mahesh Jham: No, sure will. The second question was that you have obviously seen the recent trends in terms of gold prices sort of being moderate, and generally, we have always had this belief that customers come in with a certain budget when they buy jewellery.

As gold has sort of corrected, how are the bill values for customers sort of reacting? Are they up trending in terms of number of pieces? Are they buying higher weightage jewellery? How is the bill value sort of reacting to the customers that are entering this?

Arun Narayan: Actually, this has been a recent phenomenon during the festive period. Perhaps once it is over, we will kind of get into it, and possibly answer you with greater accuracy. Because during the festive, it is kind of a rush at this time, so we may not have analysed that to answer your question with the depth that it requires.

Nihal Mahesh Jham: I hear you. That was it from my side. Wish you all the best and happy Diwali.

Arun Narayan: Thank you.

Moderator: Thank you. Next question is from the line of Amit Purohit from Elara Capital. Please go ahead.

Amit Purohit: Hi, Sir. Thank you for the opportunity. Just continuing on the buyer growth itself, I just wanted to understand between the studded, which has been growing pretty strong for us for the last couple of quarters, I wanted to understand the consumer behaviour more, to put it in a way that if the buyer comes in, does the new buyer growth directly happens in the studded segment, or he goes through a life cycle kind of a, that he first buys a plain gold jewellery and that gets into a studded? What has been your experience for it? Because we have been actually launching a lot of new products. Zoya has been pushed, so a lot of studded products I see that launches has been there.

Sensitivity: Internal

Arun Narayan: Actually, it's a mix of both, Amit. Like Ajoy said, a lot of younger customers come in and make their first purchase as a diamond product, and it's across all three brands, Tanishq, Mia, and CaratLane. But we do find a lot of traditional gold buyers also moving over to diamonds after having bought gold over a period of time, who tend to be slightly older customers. So, we see both happening. But perhaps in a CaratLane store or a Mia store, a lot of the customers are first-time diamond buyers. In Tanishq, it's a mix of the two.

Amit Purohit: Okay. Just a follow-up on this. So, last quarter growth, say, 30% in the studded business, there would be buyer growth in that segment, or in the Tanishq part of the portfolio, or it is difficult to right now understand that. Over the last six months or so, the studded portion has been strong in the Tanishq part of the portfolio. Is it a fair assumption that buyer growth could be slightly higher in that versus…

Arun Narayan: Yes. Buyer growth is certainly higher in that segment.

Amit Purohit: Okay. Thanks a lot, sir. Thank you, and all the best, and wish you a happy Diwali.

Arun Narayan: Thank you. You too.

Moderator: Thank you. Next question is from the line of Avi Mehta from 360 ONE Capital. Please go ahead.

Avi Mehta: Yes. Hi, team. Thanks a lot for the opportunity. Just first question on the entry-level segment. I am not sure if it was covered, sorry for that. If you could give us a sense on whether there has been a change in that behaviour where we were seeing demand kind of being a little muted, if that has changed because of the gold price correction.

If you could kind of help us with that. Also, if the buyer growth, how should we look at buyer growth when we are because as you rightly pointed out, we should look at it ex-gold coins. Buyer growth may not be the right factor then. Do you think EBIT growth is the right factor? If you could kind of help us understand how do you look at this internally. Thank you.

Arun Narayan: No, from an operations standpoint, we will obviously look at it as a core jewellery growth, because that is our primary focus. Pure core jewellery growth in buyer terms and in value terms, that is the way that we look at it. The gold rate softening is a very recent piece, Avi, so we will also need some time to step back and see what has been the result of that.

So do allow us some time to answer that question after the end of festive. But the trend that you allude to has been true in the last couple of quarters and prior to that as gold rates have been increasing.

Ajoy Chawla: Sir, I will just step in. There are quite a few questions coming from many of you saying, "How should we think about growth going forward given gold prices have corrected?" So, If I were to take a shot at it, I would say that if gold prices remain corrected and stable, the chances are we will see many more customers coming into the market, especially those who had stayed away.

Sensitivity: Internal

And therefore, I would bet on much healthier buyer growth than what we have seen in the past, perhaps compensating for some of the ticket size-related issues that you might be anticipating because gold prices remain subdued. The second piece I would say is new buyers, I don't think we should think about it as studded or gold. You didn't ask for this, but the previous gentleman asked for it.

I would say new buyers typically enter in the lower price segments because they are below ₹50,000, or below ₹1,00,000, and that is where you will start seeing the spurt whenever gold prices correct or whenever we are able to attract that customer with appropriate products in our catalogue. It could be across Mia, CaratLane, or Tanishq.

Avi Mehta: Got it, Ajoy. I mean, that is the backdrop. I was essentially trying to understand that thesis, is it panning out? But I hear you that we should wait for data to kind of pan out, as you say. Got it. Wish you a happy Diwali, everyone. Thank you very much for this.

Ajoy Chawla: Thank you.

Moderator: Thank you. Next question is from the line of Amit Sachdeva from UBS. Please go ahead.

Amit Sachdeva: Hi, good evening, and thank you for taking my question. Ajoy, thanks so much for obviously addressing that question, but let me just stretch a bit of a thinking here. Say assume, and perhaps correct me if I'm wrong, I heard Arun say that so far festive season has been a bit strong. Second, the buyer growth, which was muted in the festive season, it seems to be it has come back in the positive sort of zone.

My question is that two parts to the problem. One is obviously headline size and value equation, but also there's a marketing part of it with jewellers obviously have perfected that over a period of time, how to sell to consumer, how to increase and influence the ticket size. I just want to ask a theoretical question.

Say the buyer growth is 8%-10% or say 7% - 8% in Q3 or Q4, for example, whatever, where the people are worried about the base. Is this possibility that where through the SKU you want to sell, the way you sell to consumer, is there a way that you get confidence that we can affect a bit of a 10% ticket size increase from the consumer point of view?

Because there are ways to sell to the consumer and there are ways to sell to the SKU. There's a marketing element of it as well, which sort of you shape consumer behaviour in that sense. Where I'm coming at is that if 8%-10% buyer growth is possible, can you still touch 20s kind of growth? Or it is still very difficult to ascertain given the mix of buyer will come?

I just want to make sure what will give you confidence that the growth could come if the buyer growth is this level of threshold. I do not know whether it is a very theoretical question, but I would like to hear your thoughts on this.

Arun Narayan: Amit, I think that is really the goal that we have set ourselves, that we need to grow at that rate that you mentioned.

Sensitivity: Internal

On a sustainable basis right through the years that we have set the goal for. Heading forward, it is possible that we may not get the cushion of ticket size growth and gold rate growth. So therefore, buyer growth becomes the first and most important part of it. That apart, we look at the portfolio in its various parts. Wedding is one which gives us a higher ticket size. High value studded gives us a higher ticket size.

Some parts of the solitaire portfolio gives us a higher ticket size. These engines we kind of rev up when there is a need, like you said, where buyer growth is kind of comfortable and we need to step up the ticket size piece.

In a sense, based on the situation and the reading of the situation, there is enough, the portfolio is large enough for us to activate the parts which can give us what is required at that point in time. So we believe that Tanishq being a very mainstream and a brand that covers all need states, all types of customers, and a very diverse price point, we have that ability to activate the right facet of the brand at the right time based on the building blocks or the levers required at that time.

Amit Sachdeva: Got it. No, very, very helpful, Arun. May I just ask that, for accelerating the buyer growth, right, in this current environment, are there any specific schemes or any specific initiatives you have taken, or are you planning to take, which could spur the buyer growth that you will desire to come in that zone?

Arun Narayan: Like was asked earlier, I think for buyer growth to happen, we need buyer growth sub ₹1 lakh, and therefore, a lot of our efforts are to make jewellery accessible, give a lot of product choice, sub ₹1 lakh, sub ₹50,000.

And that is where lightweight jewellery, that is where studded jewellery in 14 karat, gold jewellery in 18 karat, all those efforts, what I had shared earlier, are most strategic efforts to make jewellery accessible so that we are able to fulfil a certain need at a certain price point.

And all that will come in to bear to attract customers, a large base of customers who seek to buy jewellery for everyday use at that price point. A lot of our efforts are going there in that direction.

Amit Sachdeva: Got it. Thanks so much, Arun. Thanks so much for the questions and answers. Thanks a lot.

Arun Narayan: Also, just to add, if I may just add.

Amit Sachdeva: Sure.

Arun Narayan: Two more things, two, three more things that will help. One is the whole gold exchange program, which is a huge lever, and as you are aware, we have been at it for the last one year, and that is something that is giving us good results.

Second is the whole network expansion and network upgradation. As you know, we have been underlining that we have been upgrading a lot of our stores, making them larger and far more attractive to expose all the facets of the brand.

Sensitivity: Internal

Second is, of course, the network expansion, adding more stores, both in same cities as well as adding cities to the network across all our brands.

Amit Sachdeva: Got it. Thank you.

Moderator: Thank you. Next question is from the line of Sameer Gupta from IIFL Capital. Please go ahead.

Sameer Gupta: Hi. Good evening, everyone, and thanks for taking my question. Sir first question is, a lot has been discussed around gold prices, but my question is slightly different. So we have seen this being flat for the past six months, more or less, and this would also imply that local or regional jewellers who don't really do hedging and were then sitting on inventory gains for a long period of time would not be able to pass on any gains to customers. Competitively, we are better placed in such an environment heading into festive, all else equal. Would this be a fair interpretation?

Ashok Sonthalia: Okay, Ashok here. If you think about the large organized player, everyone has a different level of hedging. Titan, of course, is a bit conservative on that front that we do. But the customs duty gain aspect is there since May, where many people must be sitting on gain, and we see aggressive promotions, discounts happening.

So to that extent, I think that firepower is still there. It is just four, five months have happened. To my mind, another two, three months, you can see that behaviour that they're still sitting on those gains. But you are right. If the prices keep softening, our position would improve competitively vis-à-vis those small players.

Market, I have spoken about that since customs duty increase, Indian domestic gold price market has been at discount, and that gives a hint that there are channels which are active through which also gold is flowing in into the country. No one has a good correct estimate, while news articles keep appearing around that. We do not know exact amount of that, but that is also something which is right now going on.

Sameer Gupta: But sir, just to clarify here, that duty cut, the duty increase gain is available to you as well as others. In case of actual natural gold price, when players do not hedge and it goes up, that benefit is not available to you versus your competition. So technically, still it is a favourable competitive scenario.

Ashok Sonthalia: That is what I told, it is a favourable scenario for them.

Sameer Gupta: Got it, Sir. That is helpful. Second question is on this liability for Damas being reduced. Just wanting to understand, is it a result of our assumptions for the next three years? Should we just treat this as an accounting nitty-gritty than a broad-based impairment in value?

Ashok Sonthalia: No, this is basically accounting requirement, and of course, accounting requirement requires us to have a view on a probable performance for the next. This liability is created in our books for the put-option, call-option, which is there at the end of four year. We need to take a complete view, and every quarter as it unfolds, we will again sit down and look at what's going on and what is the view.

Sensitivity: Internal

It is that four-year total view of the likely probable performance, accordingly this accounting action has been taken. As a matter of prudence, accounts always behave a bit conservatively. That I need not tell you guys, you understand.

Sameer Gupta: Sir, just to elaborate here, if let's say you had acquired 100%, this requirement wouldn't have been there. So, there would have technically been no impairment, or you still would have gone ahead and looked at the geopolitical scenario and taken this impairment?

Ashok Sonthalia: You are right. There are two sets of things, which needs to be looked at. If I would have taken 100%, then there was no liability for me to pay in future. That I would not have done, which I have done this time. There is another part that this investment sits on our balance sheet.

As an investment, does it hold its value or not? That impairment or maintenance of that value, in any case, has to be assessed all the time. But at this point of time, we don't see the long-term opportunity of Damas has diminished in any manner, and that is why there is no reason to impair that.

Sameer Gupta: Great, Sir. Last question, if I may squeeze in with your permission.

Ashok Sonthalia: Yes, yes, sure.

Sameer Gupta: During the course of the call, we have also mentioned that new buyers are likely to pick up in a scenario when gold prices remain soft, and it has been some time since we have witnessed such a scenario.

Would you say that the market landscape has changed a little bit, given there is now a thriving LGD market, and that is also likely to attract new buyers who are in that affordable segment. Or would you say that is an irrelevant point, customers are still very different for LGD versus the entry-level jewellery that a Tanishq or any gold jeweller sells?

Arun Narayan: I do not think, we do not believe that LGD, the base at which they are, or the traction which that segment has gained is the reason for new buyers, let us say new buyer growth to be what it is. It would be unfair to ascribe that as the reason. Though the number of players are significant and there is a lot of visibility, but I do not think it has reached that level to ascribe a reason to that.

Ajoy Chawla: Also, I would step in here, Ajoy here. I think to assume that only new people come in and buy LGDs may be inappropriate. I think LGD is currently at the early life stage of that category it is in. Enough and more existing diamond buyers are experimenting as well.

First of all, the size and quantum of what Arun mentioned is so small that it cannot move the needle at an overall industry level. Secondly, it is not just new and low price, it is also people who may be existing diamond buyers. So, it is too early to even come to that conclusion.

Sameer Gupta: Got it, sir. That is all from me. Thanks for answering all the questions, and wish you all a very happy Diwali.

Sensitivity: Internal

Ajoy Chawla: Thank you. We wish you too.

Moderator: Thank you. Next question is from the line of Jay Doshi from Kotak Securities. Please go ahead.

Jay Doshi: Hi, thank you so much for giving me an opportunity again. My question is on competitive pressure. Now Ashok Sir, you mentioned that some of the local jewellers or jewellers who are sitting with pre-customs duty inventory and inventory gains, that inventory will be sold in next couple of months.

Do you see with that easing of competitive pressure, or you think that competitive pressure is, for one reason or other, likely to continue? Second is, we picked up through some checks that smuggled gold is available at 5%-6% discount to the market rate. Maybe some of the local jewellers may have access to it. Is that also a reason for competitive pressure that you are facing, or it is just the former one which is more customs duty inventory gains?

Ashok Sonthalia: See, segregating this is extremely difficult, but these cycles, they have come and gone in our life you know, keeps happening in this industry at various point of time, and we have learned to navigate that successfully. I think this time also it will not be a different story. We do see pressure tactically. We respond to also that in different catchment, the way if our competitive jewellers are taking a particular posture. I think we will keep doing that. Segregating that which element is causing this is very difficult. But Arun, Ajoy, if you want to add anything to this?

Jay Doshi: Sorry, if I may just, I have no doubt that your ability to navigate through this. I was just wondering that if gold price remain more or less range-bound, and if there are no inventory gains available to other jewellers, in that kind of a scenario, can FY28 or calendar year 2027 be a much better operating environment for you, than what it has been over the past few years?

Ashok Sonthalia: Our expectation is that at some point of time, government would also perhaps take a view on customs duty, and again, the way they have done, and they will hopefully reduce that, so that that grey channel attractiveness completely diminishes. That environment is a good environment for us, and we will hope for that.

Jay Doshi: Thank you very much and wish you all very happy Diwali.

Ashok Sonthalia: Thank you very much.

Arun Narayan: Thank you. Wish you too.

Ashok Sonthalia: Happy Diwali. Thanks.

Moderator: Thank you. Next question is from the line of Sabyasachi Mukerji from Bajaj AMC. Please go ahead.

Sabyasachi Mukerji: Yes, hi. Thanks for the opportunity. Just one question. I just wanted to double-click on this competitive intensity. Was this phenomenon very specific to any geography and specific to quarter two, or are we seeing the same thing happening in quarter three as well?

Sensitivity: Internal

Arun Narayan: Okay, so Sabyasachi, I think it's our belief that competitive intensity is only going to increase. It's been at a certain level, and as you see, what we see is there is a formalization of the industry which is happening. A lot of organized jewellers are moving across their, let's say, where they began and moving into new geographies. So that's anyway a trend that will continue to be there for years to come.

And of course, you are also seeing smaller jewellers getting more active, like Ashok said, and discounting perhaps as a way to hold on to their customers when there is a formalization and there is a movement of customers towards bigger jewellers. Our belief is this will be the case, and we need to kind of keep strengthening our playbook to be able to deal with this situation.

We believe we have been able to deal with it so far successfully, and that resilience will continue to get strengthened to deal with it. So we don't see it being a geography-specific thing, though there may be some pockets where there may be price warriors who may operate. But it's something that will continue to be there, as others also try to catch up with the network that we have built over the years.

Ashok Sonthalia: One thing I will add to Arun's point, and while some of you suggest us that should we relook at our margin guidance, and we keep saying that, no, we want to keep it anchored around 11%, two, three things. One is, of course, Arun spoke about competitive intensity and sometime our need to respond to that. The other one also, like it is not a foregone conclusion that gold will keep correcting or stabilizing here.

There are conflicting opinions that gold might again start its upward journey. Given all those environment, we are saying that it looks like that we can confidently deliver margin which is anchored around 11%, and we don't want in a hurry to either change that. And I will wait for the full financial year 2027 to be closed and then rethink about what should be our margin going forward.

Sabyasachi Mukerji: Got it. Just one follow-up. If I look at the competitive intensity, has it kind of remained the same if I compare it with, let's say, the previous year or maybe in the last two years, or has it become worse? What is the kind of intensity that we are seeing?

Ajoy Chawla: Okay, I think, this is Ajoy here. Competitive intensity, please expect it to continue to improve and increase all the time. More players will come, more people get capital, more people want to expand. Somebody also talked about lab-grown diamond players will come in. Everybody is tasting success in some form or the other. So if the industry is growing and people are continuing to do well, you will get more money into the market.

So, I believe we should brace ourselves for continuous improvement or increase in competitive intensity. And it would be very theoretical to say whether last year was more or this year is more. Assume it is going to keep increasing. Therefore, the context of what Ashok said, our guidance on margins will not change based on our assessment of whether competitive intensity will go up or down. If it happens to go down, Inshallah, but I doubt if that is going to happen.

Sensitivity: Internal

Sabyasachi Mukerji: Got it. Thank you. That is all from my end. Wish you a very happy Diwali to the Titan team. Thank you.

Arun Narayan: Thank you. Thank you so much. Wish you the same.

Ashok Sonthalia: See, one point, Ajoy, if I can add at the end of this call for everyone. While I do understand that jewellery is a very, very dominant part of our portfolio and it takes all the financial performance, I want to draw your attention for this quarter specifically, where other than jewellery part of the Titan portfolio has done extremely well, and we are very happy and proud of that. Watch division, EyeCare division, our newer businesses, fragrances, fashion accessories, even Taneira has started showing some promising green shoots.

TEAL on the other side, and international jewellery business on North America, they have been doing extremely well, and we believe that they will continue their growth trajectory, making a meaningful contribution to Titan consolidated performance. I just wanted to draw your attention. I am sure you take note of that. I just thought it up probably.

Ajoy Chawla : Yes. In fact, that was my concluding piece as well, that there is growth across our portfolio. And you must remember, like we shared in the investor day, that we have a flywheel which is constantly adding a certain base of customers to our entire Encircle base, from which every brand feeds off.

So this flywheel has actually worked very well, and buyer growth as well as healthy double-digit business growth, accompanied by retail expansion, is really kicking well. And therefore, you see a very healthy margin, because the non-jewellery side of the businesses also bring with them much higher operating leverage. All in all, it has been a very good quarter, and we believe it should be a very good year too, if things continue the way they are.

Ashok Sonthalia : Thank you very much.

Ajoy Chawla: Thank you. Wishing all of you a very, very happy Diwali. Please go out there and buy a lot of jewellery and other products for Dhanteras. Bye. See you soon. Thank you.

Ashok Sonthalia: Take care, guys.

Moderator: Thank you very much.

Ajoy Chawla: Thank you.

Moderator: On behalf of Titan Company Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

Sensitivity: Internal