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11th August 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 first quarter ended 30th June 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: 2026.08.11 22:46:25 +05'30'

Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated

“Titan Company Limited's Q1FY'27 Earnings Conference Call”

August 07, 2026

<u>TITAN MANAGEMENT SPEAKERS:</u>

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**

Moderator: Ladies and gentlemen, good day, and welcome to the Titan Company Limited Q1 FY '27 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 this conference call, please signal an moderator: by pressing star then zero on your touchtone 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: Good evening, friends. Welcome to the earnings call of Quarter 1 for FY '27. It's been another fantastic quarter, and I must say this quarter has been even better than the previous quarters. We've seen all-round growth across all our businesses, all our brands, subsidiaries. And we've also seen a good volume growth and a buyer growth that has come in. So all in all, very positive and certainly disciplined execution as well, which has driven this as well as the results. I now hand over this to our CFO, Ashok, who has a few opening remarks before we open it up for some questions.

Ashok Sonthalia: Hello, good evening everyone. We are very pleased to report another quarter of strong growth across our portfolio, as Ajoy said. And we must also note that operating environment was not so favorable, but still things have turned out very well for us. Before we get into Q&A, I would like to highlight a few aspects that will help in interpreting the numbers and quality of results for you, and there might be common questions, so I'm addressing it upfront.

We had during this quarter, gains on account of customs duty rate increase from 6% to 15%. While these gains will be realized as the inventory gets sold over the next couple of quarters, but in this quarter, we had overall at a consolidated level realization of ₹407 crores, ₹386 crores was in Tanishq Mia Zoya portfolio and ₹21 crores was in CaratLane.

The other significant item during this quarter was that as sudden and sharp customs duty changed and many other steps are being taken, the market went into quite, I would say, volatility where international prices and domestic prices were at a divergence at many times. And we were also advancing our gold procurement to secure that we are fully equipped to meet our festive demand and production without any disruptions. So on account of those price divergence, we have accounting MTM in the inventory, which is -- which caused 75 to 80 basis point jewellery division EBIT upward. So jewellery division has the benefit of that. And we believe that these are likely to reverse in the coming quarters. So the normalized margin considering both custom duty gain and MTM gain, the normalized EBIT margin for our Tanishq Mia Zoya business would be 10.9%, the number for this quarter.

The other important change which I wanted to tell you that we have revised the classification of our jewellery product mix. You remember in the last quarters, we have talked about color stone jewellery and we have been progressing on that. Color stone jewellery, which was earlier clubbed under the studded category, we have reclassified that into the gold jewellery, so that studded reflects to more diamond jewellery and not any other Colorstone or Polki jewellery, etcetera. So to that extent, you will see some change in the number and to facilitate, I think we have shared the reclassified numbers for previous periods also so that comparability is not lost.

And last point regarding Watches business that while reported EBIT profitability will look muted compared to revenue growth in the quarter 2. But every quarter 1, we run standard costing revaluation of inventory of watches. Last year, we had called out, if you refer to that earnings that about ₹50 crores was the benefit to Watch division. This quarter, that benefit was far less. So if you normalize for both these sides, then last Quarter 1 FY '26 watch EBIT margin was 18.6% compared to 17.8% normalized margin for this quarter. So these were some of the points which I thought I'll say upfront, and now we will open the floor for question and answers.

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

Videesha Sheth: My first question was pertaining to the jewellery segment. Now in 1Q, even you mentioned that growth to some extent would have been impacted because of government interventions or events like Adhik Maas. So based on your observation, have you seen that the postponed demand has come back in the quarter till date? And accordingly, can we expect growth momentum to further improve in the ongoing quarter? And any particular change in consumer behavior also if you'd like to share?

Arun Narayan: Yes. Thanks for that question. Some key dates for everyone to refresh everyone's memory. May 10 was a certain call out by the Prime Minister. May 13 was the customs duty change. And we also had Adhik Maas also begin from May 17. So there was obviously an overlap of many of these developments.

As a consequence, we did see a softness in consumer sentiment for about 3 weeks' time till the end of May. But by the beginning of June, things started picking up. Weddings also restarted post the end of Adhik Maas. So we believe that it was a deferment and we saw things pick up in June. What we lost in May, perhaps we gained back in the month of June.

Videesha Sheth: Sure. And any changes in consumer behavior, whether it's the sub-₹1 lakh category coming back or sustenance of studded growth that you particularly want to call out?

Arun Narayan: No. As you are aware, we have - we began seeing a resurgence of studded in Quarter 4 of last year, and we are seeing that continue to play out in Quarter 1. And in a sense, it's the momentum that we had in Quarter 4 continued during Akshaya Tritiya. There was a brief lull perhaps in May, but it's kind of come back in the month of June.

Videesha Sheth: Sure. Just one more question before I get back in the queue. In context of the sustenance of the improvement we're seeing in buyer growth, even studded growth seems to have revived quite well. Probably even the Zero reduction on the old gold policy will start very high September onwards. Would you look to revisit the EBIT growth or margin guidance for the jewellery segment given during the Analyst Meet for the next 1, 2 years at least?

Arun Narayan: Do you want to give a guidance on the EBIT growth or margin is what she is asking?

Ashok Sonthalia: No, we are not giving any guidance at this point of time. In the Investor Day and prior, we have said that more of 11% being the center of gravity for jewellery business margin, we would be around that plus/minus something can happen. So many moving parts.

Market is behaving in a particular manner. Gold prices continue to remain on a very uncertain trajectory. You would have seen softening then all of a sudden in a day, $100, $200 going up and down. So given the circumstances, we will stick with our previous guidance. We are not changing it.

Videesha Sheth: Sure. I'll get back in the queue. Thanks for that.

Moderator: Thank You. Your next question comes from the line of Devanshu Bansal with Emkay Global.

Devanshu Bansal: Hi Sir, Thanks for taking my question & Congratulations on a strong quarter. Sir, Ashok sir, so last year also, there was this 50 bps one-off gain, which was there in the margin. So ideally, the current quarter margin at 10.9% compares with 11.3% last year, right?

Ashok Sonthalia: Yes.

Devanshu Bansal: Okay. And over -- and sir, going ahead, so this reversal of 80 bps, is this the only reversal or that earlier 50 bps reversal, which was there last year, that can also sort of happen in the next few quarters?

Ashok Sonthalia: That would have happened in next few quarters for sure, but it was not something major that every quarter we had called out the reversal. And sometimes tracking of that reversal also the way gold prices move when various futures get settled. But it is very likely that this will reverse because when those inventories will be realized, then the losses or gains will get crystallized. Over next 2 to 3 quarters, these gains would gradually flow through P&L.

Devanshu Bansal: Got it. And sir, this quarter, it was ₹400 crores of benefit, but overall quantum of custom duty benefit, if you can call out for the entire year? And would it largely come in Q2 or some of it will come in Q3 also?

Ashok Sonthalia: It will come in Q2 as well as in Q3, but I would rather refrain from giving a full year impact at this point of time. We will -- whenever we do, we will exactly qualify the way we have called out this time so that you can knock that off. We also don't want to take credit of that because at some point of time when customs duty will go down, we will have the opposite situation. So we want you to kind of all the time nullify that, and we will also do like that.

Devanshu Bansal: Fair point, sir. And last question from my end. At the time of acquisition, in my opinion, the Damas Core business was not a loss-making business, right? So I wanted to check as in reasons behind this loss in Q1, if you could sort of highlight that?

Ashok Sonthalia: So yes, you are right. The Core business was not loss-making. But given the current situation of war, I think purchasing jewellery in Dubai and Saudi and other countries is the last priority for anyone there. So the footfall has fallen down. Ticket sizes have fallen down. And if a business which was operating at whatever level, 20%, 30% from those level comes down, we will end up making losses.

Devanshu Bansal: Got it. So sir, overall international business is at a ballpark run rate of about ₹6,000-odd crores top line. So how should we see the margin profile of this segment for this current year? Should it be largely neutral at the EBIT level or we may make some profit here?

Ashok Sonthalia: I would think that our rest of the portfolio of international business, except Damas is making profit mid-single-digit EBIT margin, 5% - 6%, which they will continue to make. And overall, Damas contribution in international business will not be very high. So I would expect overall portfolio would still turn out to be positive EBIT performance for the full year. And Damas would - is contingent upon the current situation. As soon as that situation gets over, I'm sure they will also improve pretty rapidly.

Devanshu Bansal: Got it Sir. Thank you for taking my question.

Moderator: The next question comes from the line of Latika Chopra with JP Morgan. Please go ahead.

Latika Chopra: My first question was around exchange schemes. We do see some jewellers kind of pushing for exchange against cash kind of a scheme. I wanted to understand what are your views on this? And how is Titan approaching this?

Arun Narayan: Yes. Thank you, Latika. We have rolled out what we had called as cash for gold in all our stores from the month of June. And we are not seeing significant traction here, but that option is available for customers to bring their own gold and exchange that for cash. Not exchange, but convert that into cash.

Ajoy Chawla: But I think Latika, your question is also on the economics of exchange per se, right?

Latika Chopra: Yes, sir. Absolutely.

Arun Narayan: Sorry, just go over your question again.

Latika Chopra: I was just looking for your approach for this versus some of your peers actually aggressively pushing for this scheme. So just wanted to understand the economic benefit of doing so because when you're exchanging jewellery for jewellery, it still makes sense for you to grab a new consumer. But exchanging gold for cash, what is the thought process from your perspective?

Arun Narayan: No. From our perspective, it's about solving a customer problem. It's not as much about profiting from it. And many of these customers are our own customers. And if we widen the basket of solutions for them, it's the most responsible thing to do. And we also think that it could be a way to acquire new customers, those in need for money and have gold with them. So that's the way that we are looking at it purely as a customer solution as opposed to a revenue stream. So yes.

Latika Chopra: It is not dilutive for your margin profile or versus exchanging gold for gold? What is the difference in terms of margins?

Arun Narayan: The way that the program works, there is a deduction which is there when you bring gold for exchange, and that takes care of - nullifies this or takes care of this.

Latika Chopra: Okay. So it's margin neutral to that extent.

Ajoy Chawla: Latika, if I may add, Ajoy here. I think at the most fundamental level, what's good for the country, what's good for the planet, what's good for the customer, we have always believed is also good for the company and the brand.

I think that's the larger piece to look at. How to ensure that the economics don't dilute our margin, those are things we as an organization have figured out how to do without making it unattractive for the customers. So we wouldn't worry too much about it. In fact, we believe there's a much larger positive gain, and it is not going to dilute our economics.

Latika Chopra: Sure. The second bit was buyer growth of 5% when gold prices are stable. Is this buyer growth tracking in line with your expectations? How do you think this plays out, assuming gold stays stable for the rest of the year? The second bit connected to this margin, one clarification. This 10.9% is against 11.8% in the base quarter for TMZ. And if so, in a quarter where the studded share was broadly similar, what led to this quantum of margin moderation? Thank you so much.

Arun Narayan: Yes. On the buyer growth, like we -- like I said earlier to the first question, we had a good period in April and a good period in June. And there was a bit of sentiment that was dampened in the month of May. So this is an average for the entire quarter.

And see if gold rates stay stable, we always see that sentiments are positive and people come back and they don't sit on the fence. But whenever gold rates are volatile or if they are going only in one direction, which is downwards, then we see people tending to wait if they don't have an urgency to buy.

So stable gold rates or even if it is going up marginally always helps Yes. That's one. Second, I think point to note is our buyer growth on the studded part of the portfolio has really been going up and going up since quarter 4 of last year. And that's the heartening part of the story that we would like you all also to take note of.

Ashok Sonthalia: And Latika, on margin, the base quarter also we had called out a 50 basis point of one-time. So actually, it becomes 11.3% versus 10.9%. The factors which in the last 4 quarters, the gold price impact we have talked several times, those have been playing. So all the positives which happened in this quarter, good studded growth, etcetera, etcetera. But still eventually, there is a 40 basis point erosion of GC margin.

Latika Chopra: Understood. Thanks for clarifying.

Moderator: The next question comes from the line of Nihal Mahesh Jham with HSBC.

Nihal Mahesh Jham: Hi Team, Good evening, Two questions. First is on your comment on the impact in May. I just wanted to understand, let's say, because of Adhik Maas, was there any demand that would have got lost or most of it got covered this quarter? Just to understand if there is any sort of percolation that could happen into Q2?

Arun Narayan: No, we believe it got covered. Like I said, Adhik Maas started middle of May. And by the time we got into June, we started seeing things recover. And while Adhik Maas technically ended on 17th of June, if I have the day right, but we started seeing traction well before that. So we believe that the what we may have lost in May, we have gained in June, we don't see that trickling into quarter 2.

Nihal Mahesh Jham: Understood. The second question was on the margin bit again that if you look at it organically, there has been a slight moderation in the margin, and we've obviously seen more than a 30% kind of an LFL growth this quarter. So just to understand that as we move into H2, obviously, it may not be practically possible on that high base to deliver that kind of margin.

So when we say the 11% EBIT margin, what will be the driver sort of for this to improve? Because incrementally, I would believe at least from a base impact perspective, H2 will have a slight impact in terms of circling a very high base. So just to understand how do we plan to get to that 11% where we started off at 10.9% organic?

Ashok Sonthalia: We talked about margin is a range. We never give -- 11% is kind of center of gravity where in some quarter, you will find we are doing slightly better. Some quarters, we are doing below that or so. So, it's not a very precise point. The second thing also, there are various things which are happening in the system. We have talked about acceptability of customer or introduction of lower karatages jewellery, they generally have a positive impact on margin. So various things are being done.

And as we think if gold prices stabilize and we go forward, perhaps the product mix will also improve. The whole product mix where coin used to be slightly higher, it might start coming down, which we see signs of. So, all of this can result into closer to that number. That's our belief at this point of time. And that is how we are saying something around that number, we are very, very hopeful we will be able to deliver on a full year basis.

Ajoy Chawla: I'll just add to it. I think the product mix swinging upwards towards more studded scale is a very important driver, and that's a focus area also for the division. The second bit I would say is, as I'll elaborate as Ashok pointed out, there are many programs we are running to enhance the gross margin, given the high gold rate regime. And those will start bearing fruit in the second half of the year, more so than the first half.

And thirdly, I think if gold prices remain subdued, the opportunity to be able to sell a more profitable mix with higher AMCs and even on the gold jewellery side, those drivers can also work to our benefit. So there are these drivers. How they play out, of course, is a matter of what happens.

Nihal Mahesh Jham: Got it. I'll just slip in one question quickly that it's been picking up that with the correction in gold prices, there has been some moderation in demand in the industry. Just wanted to understand any such trends visible or none of it at our end.

Arun Narayan: Okay. The only point to add to what we've already spoken of is I think in the -- towards the end of July, perhaps we did see some softness in -- on the plain gold side, okay? And it does happen sometimes when the price is range bound or the price and people also hear news from various sources that bears have taken hold of gold and gold is likely to go down.

So, a lot of confusing news that people were exposed to during the month of May, and that kind of puts people back to the fence and they tend to wait it out. But we have also seen in the last 2-3 days that there is an upward movement.

So I guess once there is clarity on where it's going, perhaps those who are on the fence will come back. So there was a bit of softness towards the end of July which is, of course, outside the scope of Quarter 1, but that's only bound to happen when people are wanting to time the market.

Ajoy Chawla: And that's largely on account of plain gold jewellery, studded may not be so.

Arun Narayan: Yes, that's right.

Moderator: The next question comes from the line of Avi Mehta with Macquarie Capital.

Avi Mehta: Hi Team, thanks for this. Just first bit, if you could help us understand what was the average buyer growth, if I were to remove, say, average of April and June, just to get a sense on how buyer growth is actually trending in the jewellery space?

Arun Narayan: You'd like us to remove what?

Avi Mehta: May. You said May had these one-off factors, right? So if I were to kind of look at either the exit in June or average of April and June, just to get a sense on normalized where-how versus what we saw last quarter?

Arun Narayan: No. Thanks for that question. I just want to reiterate that the normalizing happened in June. It's already happened in June. So, what you see for the quarter is after that normalizing. And these one-off things are part of our industry. I mean, there are auspicious times to buy. There are inauspicious times to buy, like we also mentioned in the analyst meet. This is pretty much BAU and things tend to catch up. So what we -- like I said, what we may have lost in May, it appears that we have gained in June. So that averaging out of normalization has already happened. So you could take the Quarter 1 average as the normalized kind of base.

Avi Mehta: Okay. So where I was coming from is we were trying to get a sense on as gold prices, assuming gold prices remain where they are and this volatility doesn't continue, the assumption that I had was sales or value growth will trend towards buyer growth. And hence, to appreciate it because the realization from your understanding, the realization growth has some semblance of bunching up that will probably happen.

So that is where I was coming from. And if you could kind of -- if that understanding itself is inaccurate or if you could help us understand how we should look at the differential between buyer growth and value growth as gold prices start to become Y-o-Y flattish or your thoughts on that?

Ashok Sonthalia: Avi, I think it is too early to conclude. One when gold prices have softened, but I think we need to give some time to customer also to make up their mind. Our also thesis is that our top line growth is kind of combination of some of these things. When the gold prices would come down, more buyers will come in, and that is why we don't focus too much as a team and as a company on these things.

I think it is too early to just see June month, whether it was more than 5% and -- but I think that granular level of month-by-month growth, I don't think we want to. And then there are regional differences in all these things where weddings are happening. Adhik Maas is not South story. It is more North story. So, I think let us give it some more time to see the impact on consumer.

Ajoy Chawla: If I may add, if you're looking for what is that we are targeting, we are targeting, as always, a double-digit aggressive growth, and that's something which we shared even in the Investor Day. Those targets and our ambitions don't go away. How they play out between buyer, ticket size, gold prices, that's for us to manage.

Avi Mehta: Just a second bit on the MTM gain and loss. Just if you could just remind us what exactly drives this? Is it more change in mix towards exchange? Or if you could just help explain if that's okay, just to refresh.

Ashok Sonthalia: So this time, as I was saying, there were price differences between international market and domestic market. And we procured the advanced procurement, which we hedged on the domestic market. Inventory valuation happens on the international benchmark because there is no spot benchmark in India.

And it gives rise to accounting MTM as inventory is being done on a certain basis reference point, hedges are being done on a certain reference point. And that difference generally is very manageable and need not be called out quarter-on-quarter.

But in current situation when CD custom duty impact, all of a sudden created wide gap between international and domestic, and we ended up procuring quite a bit gold at that point of time. So that is why we are calling this out. Every quarter, a small amount of this variation between inventory valuation and hedge valuation happens. It's part of BAU, yes.

Moderator: Your next question comes from the line of Kaivalya Baing with IIFL Capital.

Percy Panthaki: Yes, hi, sir, this is Percy Panthaki. Can you hear me?

Ashok Sonthalia: Yes, a little.

Percy Panthaki: So just wanted to understand going ahead if the gold price remains where it is by Q4, the Y-o-Y inflation will become zero and a large part of is being driven by gold price inflation. So in a scenario where gold price inflation is zero, do you think we can sort of maintain a 18% to 20% kind of top line growth in that kind of a scenario?

And I'm not talking only about Q4, although the anniversarization happens in Q4, this is more of a general or a structural kind of a query that if for a few quarters, the Y-o-Y gold price inflation is zero in that scenario, does our growth rate come down versus our targeted 18% to 20% band?

Arun Narayan: Yes. So, I think our game plan across all our brands takes into account this context. In a scenario like that, we would certainly go all out to acquire buyers and use that to drive growth because fundamentally, our approach to the business is an optimistic one, and it is one to drive overall growth, like Ajoy mentioned.

So whenever there is a turbulence or some kind of a gold rate playing in people's mind, then there is a certain playbook to give them comfort and drive growth. Whenever that goes out of the equation and there is more stability, then obviously, what we would do would be to gain and acquire customers and overall grow the business.

So we will have to see how things play out and closer to that situation, then we choose the cards that we have to play. But what you are saying is true. It could play out that way, but we'll have to wait and see.

Percy Panthaki: Understood. Related query to this is, again, in that kind of a gold price scenario, do you see the quantum of sort of competitive spending, either in terms of advertisements or in terms of discounts, promotions sort of normalizing? And in context of that, do you expect sort of the headwind on your margins to sort of maybe turn into a tailwind and you could see even with a slightly lower growth being able to deliver that 18% to 20% bottom line growth?

Arun Narayan: Yes, honestly, if you go back last 2 to 3 years, we have seen all kinds of scenarios now to pretty much have a playbook for all of them. Scenario when competitive intensity is at its peak, people are discounting like crazy or a time when gold rates are stable or it's going up, it's going down. So -- by now, we think we have a handle.

You're right, some new situation could emerge and we might end up learning from it. But by and large, we think we have at least some plans or some experiences that can help us when these situations kind of come up.

Ashok Sonthalia: Just one point I can add, Arun, that if you remember in our Analyst Day, we guided FY30 numbers. So quarter-on-quarter numbers can go up because some of the situations you may not react immediately.

But overall, medium to long term, we have always said that a good strong double-digit growth. And that is how you will reach to that FY30 number. So that has not changed at all in our mind, and we don't have any doubt at this point of time that we are not marching towards that.

Percy Panthaki: And over the last several quarters because of the gold price inflation, the entire industry has done a lot of work in terms of making the jewellery lighter weight versus earlier if a piece has the same look and feel or design, etcetera, making the same kind of piece or similar kind of piece lighter in weight.

If the gold price remains flat for a longer period of time, do you think that could be one of the lever in terms of gradually increasing or reverting back to the -- or at least increasing slightly the weight per piece. I mean, doing the reverse of what we did over the last 2 to 3 years?

Arun Narayan: Like Ajoy said some time back, our approach always has been to solve versus to merely sell -- and we need to do things as an industry and also as a company to bring more consumers in the category, keep them invested in the category. And for that, jewellery has to be both exciting and accessible.

And accessibility comes from keeping it lightweight, looking at a variety of karatages, looking at an exchange program that is strong to get them to recycle. So all these are different levers that we are using to keep consumers -- to keep jewellery accessible to a wide set of consumers across the different town classes that we are present.

Ajoy Chawla: Yes. If I may just step in once again. I think the concerns that I am sensing across several questions across different people is if gold prices don't go up or they remain down, can you guys manage to grow, okay? And therefore, it's between buyers, ticket size. These are not 2 independent entities which kind of move on their own. These are related.

A few years back and a few quarters back, I have heard enough questions of people asking me, are gold prices have gone so much, how are you going to continue to grow. Now the question is if gold prices don't go up, how will you grow? So I think we have seen buyer growth actually taper down in the last couple of years because gold prices went up dramatically. Why can't the reverse happen?

Because India's love for gold has not gone away. At the same time, India's growth story is not going away. So I think if you were to step back a little bit and look a few years ahead and not get worried about a particular month-on-month situation on gold price, I believe the headroom is huge, not just for the overall industry, but certainly for us as a company because our market share is also still single digit.

So for us to target a healthy double-digit growth in jewellery is inevitable. How it plays out in a particular month and quarter might vary a little bit, but I'm very bullish on that. And margins, I think, will follow if we are able to manage the execution there.

Moderator: The next question comes from the line of Jay Doshi with Kotak.

Jay Doshi: Hi, Congratulations on good execution in a challenging environment. I've got a couple of questions. First one is, could you comment a little bit on competitive intensity because over the last 2-3 years in a rising gold price environment, there were quite a few discounts by other players on making charges and all.

Now with gold price stabilizing, are you seeing that the competitive pressure on making charges, gold rate markup, all that has eased a little bit? That's my first question. And second question is recently, I was visiting some stores and I observed that Indriya had -- was advertising 50% discount on diamond value.

And then my sort of personal experience by visiting that Tanishq store in the ongoing 'Festival of Diamonds' ('FOD') indicates that even your discounts on diamond value this time around is a little bit higher than what it usually is in FOD.

So is this because you are currently consuming low-cost, low-price natural diamond inventory and so you are better positioned to sort of offer better value through discounts or is the market more competitive on studded jewellery at this point of time, which is forcing you to probably offer slightly higher discounts in this FOD versus last year?

Arun Narayan: Okay. So I'll start from reverse order. So the FOD offer we have this time is a flat 20% off on diamond value, pretty much the same as the last one of the months of Jan, Feb. We may have some products which may be aged, maybe offering a higher discount. But by and large, the structure of the offer has not changed in any manner.

As far as competitive intensity goes in -- I mean, we are all aware of number of brands, number of stores, number of players that are increasing in the category. And obviously, that brings a certain competitive intensity to bear. And discounting is something that keeps happening, which is different in different markets based on the context of that market and also the segment. I mean I'll actually request Saumen to come in here.

Saumen Bhaumik: Like Arun said, we also pretty much have the similar offer that we was in the past. And especially after the announcement and subsequent event that happened, we quickly responded, came up with an offer which seems like attractive for customers. In fact, May second half and June has been kind of a record kind of a performance that we saw. So we could buck the impression that the initial one we had because we could respond to the situation better. But in terms of overall discount, I don't think there is any significant structural change.

Jay Doshi: Sorry, did you answer the question on making charges for the plain gold jewellery? How is the competitive intensity there?

Arun Narayan: No, I mean we don't see a substantial increase in competitive intensity. As you are aware, it's only been going up over the 2 to 3 years.

Jay Doshi: Sir, my question was whether you're seeing easing of competitive intensity in plain gold jewellery given that gold prices have stabilized and -- so no changes there.

Arun Narayan: We're not seeing any easing up of competitive intensity. We are seeing it more of the same. Obviously, the intensity in certain geographies is much higher and has been much higher in the last 2 to 3 years, for example, in Gujarat, right? So, there are regional dispersions which are there, but nothing specifically to call out at either end, either it's gone up significantly, or it's come down significantly.

Jay Doshi: Understood. Thank you so much Sir.

Moderator: Your next question comes from the line of Harit Kapoor with Investec. Please go ahead.

Harit Kapoor: Hi, Good evening. So first question is on exchange. So if you could just give a broad breakup of how much exchange share in procurement has gone up this quarter? I would assume it would have peaked in this quarter because of the situation. So just some sense versus Q1 last year? And have you seen some basis points impact on margin on account of that as well? That's my first question.

Arun Narayan: Okay. So specifically on exchange, I think it's been a creeping increase from the time that we've been investing significantly behind exchange since, I think, September of last year. But during the -when the post the PMs call out when we went into a bit of an overdrive on our exchange communication, and we also saw other jewelers jump onto that bandwagon.

We did see an upswing for that period of about 3 weeks, but then it has again got normalized since then. So exchange continues to be a big driver of customer acquisition and a big driver of growth for us.

And like we have said in the past, the sale that comes from exchange, both the exchange of old gold bought elsewhere and the gold bought at Tanishq exceeds 50% of our -- of the business. So that's a trend that is sustaining. But yes, you're right, when everyone went on to an overdrive during those 3 weeks in May, the share did go up. But thereafter, I would say it is pretty much normalized.

Harit Kapoor: Got it. So that would have a slight marginal basis point sequential improvement over the next 3 quarters, right, given that May might have been slightly lower gross margin for you just because of the nature of procurement. Is that the right way to think about it?

Arun Narayan: No, I don't think you should read anything specific into that. I would urge you all not to read anything specific into that.

Harit Kapoor: Got it. And the second question was on the 2 subsidiaries, TEAL and CaratLane. Now you did give some estimates for the 4-year period. But the start of that 4-year period, especially on margins on both TEAL and CaratLane have been significantly significant. So just wanted to get your sense of is TEAL a more kind of revenue booking situation led margin improvement? And even for CaratLane, I mean, are these numbers surprising you on the operating leverage that you're getting?

Ashok Sonthalia: So, on TEAL, I will first answer. TEAL still remains the project kind of business and where certain lumpiness do come with the margin. And in this quarter, we did a lot of I would say the servicing business of certain set of equipment, which we call refitting or retrofitting, where they are in the nature of service where your engineers work and you get.

So that was quite substantial. Overall, long term, growth is on a very strong wicket, but the normalized margin would be gradually gravitating towards 12% to 15%, 16%. This year, full year basis, they can be higher. But that's the trend I see if mid- to long term, you see that kind of business, they will deliver. As far as CaratLane is concerned, we have always said they will gradually go towards double-digit EBIT margin, more like Tanishq kind of margin it's there. So they have delivered 9.6%, I think something like that, 9% upwards.

So their normal trajectory should be towards 10%. Again, quarter-to-quarter differences can be there, but this should eventually become very stabilized around that number to my mind. And in the long term, even depending on how the jewellery industry gold price dynamics work out, they can either progress towards 11% or stay around that number. But it's very difficult to talk about so much into the future, but we have always thought that CaratLane should inch towards double-digit EBIT margin.

Ajoy Chawla: Yes. I wanted to also add both these subsidiaries are still on a significant growth path, okay? And the opportunity to grow is significant and substantial, and we will continue to prioritize top line growth in both of them. Therefore, margins will kind of play out the way they have to play out. And therefore, I would read more on the growth story rather than on the margin story.

Harit Kapoor: Very clear Sir, Wish you all the best.

Moderator: The next question comes from the line of Ashish Kanodia with Citi.

Ashish Kanodia: First question was given the volatility in gold price, what has been the trend for new sign-ups for both Golden Harvest Scheme and Rivaah Golden Advantage in the last 5, 6 months? Are they broadly tracking in line with the kind of jewellery growth you are seeing?

Arun Narayan: Yes. Thanks for that question. I think on a value basis, we are tracking. But I would say that -- we started with the Golden Harvest program many years back. Then 2 - 3 years back, we added

Golden Advantage. What's really happening is the dynamic between the 2 where we are seeing most customers prefer Rivaah Golden Advantage because it helps in the rupee cost averaging.

And we are -- we're seeing a shift of preference from Golden Harvest to Rivaah Golden Advantage, which in a sense is good for the customer and was also introduced to solve the problem of gold rates being either increasing or kind of moving up and down. So that's really the dynamic that is playing out there. But on the whole, I think it's progressing in line with the business on a value basis in terms of the growth in redemption of both these programs versus the growth in business.

Ashish Kanodia: Sure. The second question was just on the way we have seen 1Q and even if you look at 4Q, I think 1Q definitely saw moderation in coins growth. And when you look at plain gold and both studded, the growth was still in line with what was in 4Q despite volatile gold price and May, June, Adhik Maas, etcetera. And to that extent, are you seeing more -- given maybe the gold price has been on a downward trajectory.

So are you seeing that gold coin demand is actually now losing more traction, while it may still be growing faster than the jewellery growth, but losing traction versus what it was doing 2 - 3 quarters back. And to that extent, it should ideally help with slightly better mix and margins?

Ashok Sonthalia: That is what we expect, but gold price concluding that it is on a downward trajectory will be too premature to my mind. Last 2 - 3 days, if anything is to be seen. Again, they have started inching up. If geopolitics normalize, I would believe gold prices can again go up for time being. But to your point, yes, the kind of growth Y-o-Y coin was showing, it should start moderating from here.

Ashish Kanodia: Sure. And just last bit, I think Ajoy talked about the gross margin expansion initiative and over the last few years, on the margins, you had taken various initiatives, War-on-Waste and then working on alloy. So anything which you would like to share on the gross margin expansion, like what initiatives we are taking?

Ashok Sonthalia: No, I don't think we are going into that much detail, but suffice to say whatever has been spoken about lower Caratage, there is a GC Max program, there are sourcing strategies, etcetera. It's a mix of various things. We certainly don't want to give more detail on this.

Ashish Kanodia: Sure, sure. And just last bit on the natural diamond prices, at least on the retail part in India, what has been the trend? Is it more stable both for smaller stores and as well as for solitaires? Are they stabilized in the last 6 months?

Arun Narayan: Natural diamond prices. Yes, we have seen more stability perhaps in the pricing, both of solitaires as well as small diamonds. Was that the question? Or did I miss answering?

Ashish Kanodia: My question was on the retail part, not more from sourcing, but at least at the retail and at the consumer side.

Arun Narayan: Retail also, we have been -- our prices are stable for both.

Ajoy Chawla: I think maybe the intent of your question could be how is that playing out vis-a-vis the lab-grown diamond and how is the narrative playing out in the mind of the customer. I think at the market level, it has stabilized and that narrative, which was very prominent towards lab-grown and natural are going on. That narrative seems to have gone down substantially. And I think both exist in the market. Maybe that's the sentiment behind your question I was speaking of.

Ashish Kanodia Yes, Because studded we have seen improving. So that's helpful.

Ajoy Chawla: Yes, pricing is stable, and narrative and sentiment is also stable.

Moderator Ladies and gentlemen, we will take this as our last question for today. I now hand the conference over to Mr. Chawla for closing comments.

Ajoy Chawla: Yes. Thanks. Interesting set of questions that keep us on our toes and thinking on our feet literally. Just wanted to end at a very broad level, some comments. I think all our brands and businesses, when you look at jewellery, watches, eyecare, you look at our subsidiaries, look at CaratLane, look at TEAL, look at fragrances and bags, pretty much all our businesses have done well. And the growth, what we have seen in Quarter 1, and we are also seeing that July also is not bad. So, I'm seeing a certain positivity so far in the last 4 months.

How things play out in the near future, of course, will depend on so many other forces. We think we are on trajectory for delivering the kind of growths that we had promised in the Investor Day. And we hope that we can, in fact, better it in the current year because we've started very well. Second comment I want to make is there was a lot of questions on the dynamic between buyers, gold, gold price and all of that.

I think overall, we are committed to -- I'm just reiterating, we are committed to a double-digit healthy growth in value in the jewellery business. So that's the only way we'll get to our committed FY 30 goals that we've said. In a particular quarter or in two quarters, we might -- it may be looking like a power play where we've hit the ball out of the park or but it's not just us. The market also has done very well. I wouldn't get too carried away by that. Neither will I get too carried away by a particular quarter if there is some volatility and some fluctuation in the market due to external forces or gold price. I think the larger piece I would like to maybe direct all of us towards is that the headroom for growth for all our businesses is very high, partly because of the tailwinds of formalization, partly to a large extent because of India growth story, middle India, multiple segments, portfolio play and all of those.

And this is true for jewellery. This is true for eyecare. This is true for watches. This is true for fragrances, bags, sarees, all of them. We have both headroom for market share gain as well as India doing very well, many segments coming into the consumption basket and the premiumization story, all the 5, 6, 7 forces that we talked about when we met.

Specifically on jewellery, I would reiterate that our growth drivers on gaining market share through regionalization through high-value studded, through retail transformation, through brand differentiation, through portfolio play and through core growth in both studded and gold in the sub-₹50,000 and sub-₹1 lakh kind of price points through buyer growth. All those growth levers continue to hold good.

And we stay focused on the long-term strategy and value creation while taking in our stride some positives that we might have received in a couple of quarters and building on them rather than getting worried about whether we can deliver the same levels of growth. So just wanted to kind of direct everybody's attention to a larger story and not maybe getting too carried away by one quarter or the other.

Margins will play out the way we have spoken. If we are lucky, we can do even better. But thank you so much for all your questions and look forward to catching up with you once again the next quarter. Bye.

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