



SEC 132 / 2025-26

13<sup>th</sup> February 2026

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

National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051  
Maharashtra, India  
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 quarter and nine months ended 31<sup>st</sup> December 2025 is attached herewith.

The transcript is also available on the website of the Company: [www.titancompany.in](http://www.titancompany.in)

Kindly take the same on record and acknowledge receipt.

Yours truly,  
For TITAN COMPANY LIMITED

Dinesh Shetty  
General Counsel & Company Secretary

Encl. As stated

Titan Company Limited

'INTEGRITY' #193 Veerasandra Electronics City P.O. Off Hosur Main Road, Bangalore 560100 India. Tel: 9180 6704 7000 Fax: 9180 6704 6262  
Registered Office 3, Sipcot Industrial Complex Hosur 635 126 TN India. Tel-91 4344 664 199 Fax 91 4344 276037, CIN: L74999TZ1984PLC001456

[www.titancompany.in](http://www.titancompany.in)

**A TATA Enterprise**



“Titan Company Limited  
Q3 FY '26 Earnings Conference Call”  
February 11, 2026



**TITAN MANAGEMENT:**

<b>MR. AJOY CHAWLA</b>	– MANAGING DIRECTOR, TITAN COMPANY LIMITED
<b>MR. ASHOK SONTHALIA</b>	– CHIEF FINANCIAL OFFICER
<b>MR. ARUN NARAYAN</b>	– CEO, JEWELLERY DIVISION
<b>MR. KURUVILLA MARKOSE</b>	– CEO, WATCHES & WEARABLES DIVISION
<b>MR. RAGHAVAN N S</b>	– CEO, EYECARE DIVISION
<b>MR. MANISH GUPTA</b>	– CEO, FRAGRANCES & FASHION ACCESSORIES DIVISION
<b>MR. SAUMEN BHAUMIK</b>	– MANAGING DIRECTOR, CARATLANE

**Moderator:** Ladies and gentlemen, good morning, and welcome to the Titan Company Limited Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I will 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 morning, everyone. Thanks for being on this call so early in the morning. Sorry to put you through this, but unavoidable. It's been a great quarter, certainly a festive quarter on a high base. We are delighted to have seen this kind of uptick in demand. And I must also say it is coming on the back of a lot of volatility, competitive intensity, and I must compliment all our teams across all the brands and divisions and subsidiaries, who have risen up to the challenge and delivered a good quality execution to kind of take advantage of this. So it's the team effort that has helped.

I now hand over this for a few opening comments to our CFO, Ashok Sonthalia. After which, we'll start the Q&A.

**Ashok Sonthalia:** Thanks, Ajoy, and very good morning to all of you. Thank you for joining this call. I just thought there are 3, 4 important points related to quarter or going forward. I will just point out so that you may please take a note.

We are very happy to announce that we completed 67% stake acquisition of Damas. And the accounting of that, you will see from 1st January, consolidation of Damas books into Titan consolidation will start from 1st January. So quarter 4 results, you will have Damas consolidation.

With CaratLane international business, which is primarily jewellery business, TEAL and now Damas, also, the consolidated view of Titan is becoming increasingly important. We have also made sizeable investment as well in these businesses. Therefore, I urge you to start looking at consolidated performance as well because that's going to be increasingly important.

From the beginning of this financial year, we have started providing business view of domestic and international market performances. We also provide reconciliation between statutory reporting and the business we're reporting in our IR presentation. I do hope this will help you to get a complete picture of business performances.

One more important point, which we find sometimes people don't account for, we always disclose amount of Bullion and Digi-gold sale through a note in our IR presentation as well as the statutory accounts. And we always exclude them from any performance-related metrics. So as these amounts are sometimes significant, I request you to pay attention to these notes while kind of assessing our performance.

The other important development, which all companies have faced in India, that labour code impact has been accounted for in our quarter 3 books. The impact on a consolidated level is INR152 crores, which has been shown an exceptional item in the consolidated as well as INR138 crores in stand-alone financials. So these were some of the important points, which I thought I'll point out today. Now we can open the floor for question and answers. Thank you.

**Moderator:** Thank you. We take the first question from the line of Videesha Sheth from Ambit Capital.

**Videesha Sheth:** So my first question is if you could briefly touch upon the growth trends that you've seen in fourth quarter till date, especially in context of further sequential gold price inflation?

**Ajoy Chawla:** This is addressed to any particular division or overall?

**Videesha Sheth:** I'm sorry. I meant from a -- from the jewellery segment's perspective?

**Ajoy Chawla:** Arun will answer.

**Arun Narayan:** Okay. This is Arun Narayan, CEO, Jewellery. Thank you for your question. For the fourth quarter, we've just seen a month gone by and I'd like to leave it by saying it's been a good month. The real difference, what we have seen in January versus the month leading up is that the gold rate has been volatile. Right through this year, we have seen a secular rise in gold rate, and that leads to a certain behavior. When gold rate is volatile, it's difficult to call.

So I wouldn't want to leave you all with anything that is indicative of how it may play out in the rest of the quarter but only to say that the month of January has been good. But now we are seeing a bidirectional movement of gold rate. So it's too early to call out or give you a guidance or say anything that could guide you on where the rest of the quarter could kind of move.

**Videesha Sheth:** Okay. Just a follow-up on this, Arun. So the old-gold exchange campaign intensity has sustained. I mean the old-gold mix has sustained at higher levels, which you would have probably seen in the third quarter. Or would that have come off?

**Arun Narayan:** Yes. It's sustained and our own investment and efforts behind that call-out also sustains.

**Videesha Sheth:** Got it. My second question was more from an industry perspective for jewellery. Is there any indication of consolidation happening either on the retail side or supply chain side due to higher gold prices? I mean, are you -- I mean is there any indication of winding up of operations of small contract manufacturers or even mom-and-pop retailers, which could ideally benefit the overall organized industry?

**Arun Narayan:** Nothing. Nothing to really call out as something new, which we are seeing. And of course, formalization continues, but beyond that, nothing to call out or report.

**Moderator:** We take the next question from the line of Manoj Menon from ICICI Securities.

**Manoj Menon:**

Great performance. My questions are actually slightly beyond the quarter or the short term. Look, I think the sort of unprecedented gold move, which we have seen, the previous participant spoke about possibly hypothesis of formalization. But my question is more inward looking. When the sort of, let's say, material, let's say, beyond the demand planning changes, which actually happened, particularly to the supplier side, gold price, et cetera, if you could talk about, let's say, any behavior in consumers, for example, we would have discussed the 22 carat to 18 an possibly even 14 earlier.

But there are practical challenges for consumers to buy anything beyond 18 on the lower side because as I understand it, it can be pledged, et cetera, or from a supply chain point of view, let's say you manufacture a 10-gram chain, which had a certain lead time under certain, let's say, time for, let's say, in the stores, et cetera, and then suddenly, the price is materially higher. Sir, could you talk a little bit about how nimble you actually handle these in the last 6 months, let's say, and which is a competitive advantage?

**Arun Narayan:**

Okay. Thanks, Manoj, for that question. I think the agility perhaps is only on responding to the need to be accessible in jewellery and the need to keep price points clearly in mind so that we offer choice as close to what we offered in the past at certain price points and therefore, the pivot to lightweight jewellery across the board, introducing 18-carat traditional gold jewellery also in certain parts of the country where we have seen a greater openness to it.

We are seeing parts of North and East being more open. But in West and South, we are seeding the thought. And similarly, we had stated jewellery at lower carats. We always had 14-carat jewellery in both CaratLane and Mia, but now we've also introduced that in Tanishq and also up to 9 carat in CaratLane and Mia. So these are the ways in which we are responding to keep jewellery accessible.

That being said, of course, when there is a changeover or when you have to give sufficient choice across multiple caratages, there is a bit of complexity and there is a bit of transition that the system undergoes, which is where -- what we've been through last couple of months. But we think we'll be able to tide over that. And early signs also are quite positive for these changes that we are ushering in.

**Ajoy Chawla:**

Manoj, I'll comment on your supply chain piece. It is not that lead times dramatically change or complicate life. It is simply the changeover and ensuring that you're able to have segregated lines internally, that matters. And as far as we are concerned, even when we work with our vendor partner ecosystem, we supply the gold, et cetera, to a large extent. So that doesn't really impact us, the concerns you might have had in terms of either lead time or volatility in price, et cetera, because it's mostly our gold.

**Manoj Menon:**

Okay. Understood. Just one quick follow-up on the first one, is that these making charges in India is a percentage of the gold price. Now what I'd broadly observed from most of the branded players who advertise listed, unlisted put together, it's an X percentage discount on the making charge. Is that now through-the-year sort of phenomenon given that the gold prices are higher?

Because from a Tanishq point of view, I observed that you had pockets or seasons or windows in which you used to have it. Would that be necessary now to have this through the year?

**Arun Narayan:** What would we need to have, Manoj, I didn't catch that.

**Manoj Menon:** No, no. The discount on making charges given that the -- it's a percentage and it would have gone up 70%, 80% in blended gold inflation. Historically, provision is that Tanishq actually had those discount windows, but given the gold prices where it is, would you either have to relook at the percentage making charges or have an all-year sort of a discount? I mean -- or maybe you're able to manage it better as well?

**Arun Narayan:** So far, I think we've been able to manage it across both the gold as well as the studded portfolio. And we have windows, pre-Akshaya Tritiya and pre-Dhanteras, where it's across the board. And rest of the year, it's uncertain on certain grammage or price bands largely catering to the wedding customer. So there is a playbook that we have, which is continuing. We have not seen the need to kind of alter or change that despite the conditions that you are alluding to.

**Manoj Menon:** Just a second, if I may one -- make one comment. Beyond the L1, L2, L3, the franchising model, which Tanishq had over a long period of time, are you looking at any other franchising models at this point or you're already there in the market?

**Arun Narayan:** Well, we keep exploring various models, but nothing really to significantly alter the franchising model that we currently have.

**Manoj Menon:** Okay. Okay. So no FOFO model for now actually?

**Ajoy Chawla:** Not really.

**Moderator:** We take the next question from the line of Arnab Mitra from Goldman Sachs.

**Arnab Mitra:** Congratulations on a great quarter. My first question was on buyer growth, where you mentioned buyer growth is flattish this quarter, but there's also a mention of 45% new buyer contribution, something that, I think, was not mentioned last couple of quarters. Are you seeing any improvement in that metric? And how does the square off between not having buyer growth but 45% new buyer contribution -- does it mean that your existing, let's say, loyalty members, that's where the frequency reduction has happened?

**Arun Narayan:** Yes. Thanks for that question. The new buyer share has more or less stayed consistent, and I thought maybe it's just more or less in the ballpark, I would say. However, we do have many ways of keeping our existing customers warm and bringing them back to the store, initiatives, which happen at the store level as well as CRM centrally as part of our Encircle program and now also with Tata Neu.

So yes. So it's a lot of existing customers who continue to come back but new pretty much being in the broad ballpark. And I think also perhaps we are blessed to be in a category where, despite

such significant increases in raw material costs, we are still able to kind of hold a certain buyer -- buyers in our hold. So that's really credit to price elasticity and our ability to kind of hold, that despite inflation in gold rates.

**Ajoy Chawla:**

So I think the -- one second. The specific question you had was has it gone up or down. Vis-a-vis last quarter, it has improved. Last quarter, New was 42%. This quarter, it's 45%. But vis-a-vis last year, same quarter, which was 48%, it is lower. So it's an improvement sequentially, but a small reduction compared to the previous year.

**Arnab Mitra:**

Got it. And one follow-on question on this was is there any different trend in studded buyer growth in terms of that trending better than overall buyer growth?

**Arun Narayan:**

Yes, it is a few percentage points better and has been also the case last many quarters.

**Arnab Mitra:**

Got it. My second question actually was on jewellery margins. So given what's happened with gold and the mix, which you cannot really control, I mean, if consumers want more gold coins, do you, beyond a point, essentially focus internally more on EBIT growth as a jewellery business? Or do you still hold on -- try to hold on to those lines on the margin range that you want to hold? Just wanting to understand how you think about it in this very high revenue growth environment. And also if in the -- just specifically for the quarter, if Ashok could highlight if there were any one-offs in terms of inventory hedging gains or losses that were there.

**Ashok Sonthalia:**

Thank you. Ashok here. You rightly pointed out with the rising gold price environment that getting a good fix on margin outcome is becoming challenging. And margin remains an outcome. So in the way we keep prioritizing growth, customer acquisition, market share, et cetera, but at the same time, we have always said that we are very mindful of margin. So you are right. The EBIT profit growth in absolute amount is becoming more and more important than profitability margin because profitability margin increasingly is becoming challenging in the rising gold environment. So that's what -- what was your second part of...

**Arnab Mitra:**

Were there any one-offs in terms of hedging gains or losses in the quarter?

**Ashok Sonthalia:**

No, in quarter 3, there is no one-off. Last year quarter 3, custom duty gain was there, which you remember, which we normalized. And 50 basis point drop is there in quarter 3 compared to last quarter 3. And that we have called out -- yes. Okay.

**Moderator:**

We take the next question from the line of Sheela Rathi from Morgan Stanley.

**Sheela Rathi:**

Again, my question is with respect to the jewellery business. You referred to that buyer growth has been flat. And at the same time, when we look at the studded growth, it has been lower than the jewellery business growth. How should we think about the transaction value of customers?

I mean, logically, if buyer growth is slow, it would mean that -- if transacting buyer growth is slow, we would believe that the transaction values are going up. Of course, there is a gold price increase also. But at studded, it's lower. How is actually the consumer behaving because this

was a quarter which was a high wedding calendar quarter also? So are new consumers who are buying for weddings not coming to Tanishq? Or is there some real change in how consumer is behaving?

**Arun Narayan:** Okay. I'll just set the record right on this. Our buyer growth on studded has been a few percentage points higher quarter-on-quarter, not only this quarter but also many quarters leading to quarter 3. However, the ticket size growth on gold, because of the gold content being higher, is much higher in plain gold than it is on studded jewellery because diamond prices aren't going up, but gold is going up. So we are seeing ticket size -- bigger ticket size jump in gold versus diamonds. And that's why the buyer growth translating into revenue is much higher in gold compared to studded jewellery.

That being said, it is also true that we are seeing a greater traction at higher price points in gold jewellery and in studded, and there is pressure at lower price points on account of inflation and rise in gold rate. Plus, of course, a certain profile of customers seem to be accepting this price versus others who may be waiting and seeing if gold rates kind of cooled down.

**In general, wedding buyers are the ones who -- where it is not discretionary, and they are the ones who -- therefore, we need to give a lot of comfort to -- from an exchange standpoint. And we are seeing wedding buyers stay obviously invested as a consequence.**

**Sheela Rathi:** Okay. Just my second and final question, again linked to the first question. What would be now the average transaction value of a new customer, studded jewellery customer and a gold jewellery customer?

**Ajoy Chawla:** So I think the total ticket size is hovering closer to 1.7 lakhs at an overall level approximately. 1.9, sorry, for the quarter, 1.9 lakhs. We may not be able to give you this by studded and plain gold. But I think the question you asked, the studded ticket size has also gone up by 15% in the quarter 3, while plain gold ticket size went up by 44% or something like that. So there is a differential in the ticket size growth. In both of them, I've seen ticket size growth.

**Sheela Rathi:** So 1.9 lakh. And new customer, what is the transaction value?

**Ajoy Chawla:** I'm sorry, we won't be able to give that level of depth.

**Sheela Rathi:** Understood. Understood. And this 1.9 lakh would be the highest we have seen ever?

**Ajoy Chawla:** Naturally. Yes. Yes.

**Moderator:** We take the next question from the line of Devanshu Bansal from Emkay Global.

**Devanshu Bansal:** Congratulations on a good performance. Sir, first question is on jewellery gross margin. The comparable gross margin, so that we report in our stand-alone financials, has dipped by about 200 basis points in Q3. While operating leverage and other cost efficiencies has offset 150 basis points of this impact, why I'm sort of checking on this, because we have not seen such kind of a

gross margin dip in previous quarters. I wanted to check the nature of these growth investments that we're making in the business. What happens if sort of growth profile of the business takes a dip? Are these sort of investments reversible in nature? Or we may see some margin challenge if growth doesn't show up?

**Ashok Sonthalia:** So I guess that you are looking at Titan Company performance slide and alluding from there what has happened to jewellery because you are right. Largely, Titan Company stand-alone numbers reflect jewellery number, but the drop in GC is. He is doing normalized, so 1%. Okay? Okay. So normalized, yes, you are right, 1% drop. And we have been talking about that. In rising gold prices, there are 2, 3 ways margin gets impacted. One is, of course, gold coin salience has gone up quite a bit.

Studded jewellery margin, because of the gold content, goes up in terms of value. The studded margin also goes down, while gold jewellery remains the way they are. And this put together, I think -- and you also need to check whether you are including bullion in your calculation. So please exclude bullion, which has been given.

**Devanshu Bansal:** Sir, I have excluded that. So in Q3 last year, there was no bullion reported by you; and this year, it's very small, about..

**Ashok Sonthalia:** No, I just wanted to check that you are doing -- you might have done that rightfully. But all these things are leading to this kind of thing. And that is what we said. If gold prices keep rising like this, whatever we are doing, 14 carat, 18 carat, 9 carat, live jewellery, they would eventually catch up when gold prices stabilize.

In the continuously rising gold prices, jewellery margins will kind of exhibit this kind of pressure. But absolute -- because of the growth coming in, I think absolute EBIT or absolute PBT, whichever level you want to look at, have been growing nicely recently, but yes, not in the same percentage as revenue.

And business mix is another. When you look at the company level, TCL level, then the business mix also plays a role. Jewellery is becoming -- and in quarter 3, particularly, it has become more dominant because of 40% growth, while other businesses have grown nicely, but they are 17%, 18%, 14%, 15%. So because of 40%, now jewellery, which is a slightly lower-margin business, has gone up in the portfolio mix, and that also has suppressed TCL India or TCL consolidated margin a little bit.

**Devanshu Bansal:** Okay. Understood. Understood. And sir, we -- I also wanted to understand, there is a good component of sales coming from gold exchange and some of the installment schemes that we have, which is relatively immune to the gold price. So wanted to say what is the mix of these 2 currently for our business and maybe what we are targeting for the upcoming year through gold exchange and the installment schemes?

**Arun Narayan:** Yes. So I'll answer that. The jewellery purchase plan, we started with Golden Harvest many years back. But over the last almost 2 years, the program that gained traction is called Golden

Advantage, which is a grammage program and very relevant solution for anyone planning to buy jewellery in this inflationary era that we are in.

And as you all are aware, anywhere from 20% to 25% of our business comes from our jewellery purchase plans, and that's kind of sustained even at this point in time. Although we are seeing more customers prefer the new Golden Advantage over Golden Harvest, which is very logical and probably a more appropriate solution for these times.

That being said, even the -- our sales through Golden -- our sales through the Gold Exchange program have gone up, both the Tanishq exchange program where people come back to upgrade their Tanishq jewellery as well as those who bring back gold from elsewhere. And almost, like we've been saying, more than 50% of our business today has an element of exchange of either type. And in quarter 3, we saw a good jump in that.

**Devanshu Bansal:** So broadly, can we understand that 70%, 75% of your business is relatively immune to gold price volatility? Is this the right inference?

**Arun Narayan:** There will be like a double accounting between these 2 because there are those who also -- there is a A intersection B as well. So I don't have a figure right now to give you. But our idea is to move in that direction that -- in the direction that you are alluding to because that's good for business, and it's also good for the consumer. So directionally, that's where we want to move, but it may not just be -- there will be an intersection between the 2 as well.

**Ashok Sonthalia:** And just to add one clarification that in gold exchange program, upsell also happens. So to that extent, the upsell element is having impact of gold price, but customer is taking it in stride. So all these intersections are there. So straight deriving 75% is not right.

**Ajoy Chawla:** Yes. I think I would just add a comment here. The -- I think nobody can be immune from gold price increase, even if you may be exchanging 100% or you may be having a Rivaah Golden Advantage plan. There are enough people who may change their mind when they see gold prices have gone up substantially or they are not in a position. So I think it's a very -- I would stay away from making that assumption that you kind of alluded.

**Devanshu Bansal:** Sir, last small question from my end. So eyewear growth is 11% with ASP contributing about 5%, 6% of that. So the volume growth is still low at 5%, 6%, right? I'm talking about the customer-level sales in eyewear business.

Two questions here. One, we were working on the mass and mid-premium end of the market, right, as indicated in the analyst meet. So what has driven this ASP increase? And the subpart to is when do we expect the volume growth to pick up in this business?

**N. S. Raghavan:** This is Raghavan here. Thanks for your question. See, as far as Q3 is concerned, our domestic growth was almost 17.5%, right? That was the overall growth. And in terms of volume, the volume growth was around close to 9%. But the way that we...

**Devanshu Bansal:** Sir, you're referring to the UCP sales, right? So that is reported in the PPT.

**N. S. Raghavan:** Yes, the UCP sales is 11%. You're absolutely right. So the omnichannel sale, what we have reported, is 11%. That's the revenue growth. And this revenue growth has been reported by a volume growth of close to around 8%. So from a volume growth standpoint, it is more or less within our zone. This is what we have estimated, around an 8% to 10% growth. So this is what we will continue to deliver. So that is what it is.

**Devanshu Bansal:** Any shift in focus that we had indicated earlier? We were targeting value and mid-premium. So what has led to this ASP increase?

**N. S. Raghavan:** Yes. So in terms of our positioning, right, I mean, Titan Eye Plus is positioned as a multi-price, multi-brand destination. So when it comes to multi-brand, today, we offer anywhere between 15 to 20 international brands. So there is a kind of a tailwind for premiumization through our international brand collaboration.

And yes, quarter 3 has also been aided by a ticket size increase because, normally, November and December, we see an NRI season effect. And it has a direct correlation on the international brands. So we had the benefit of the ticket size also going up in November, December.

**Moderator:** We take the next question from the line of Siddhant Dand from Goodwill.

**Siddhant Dand:** Excellent set of numbers. I just wanted to ask which geographies have contributed to the international profit. And are there still new stores that are unprofitable? And what would be the average margin in the mature stores?

**Ashok Sonthalia:** So Siddhant, I will give you one color, that international margin had at least onetime this time, this quarter because we had some primary sales of INR200 crores, close to that, and that has -- the -- if you adjust that, the margins are about 5% to 6%. And then gradually, it is going up as we have always talked about from the loss to, gradually, it will improve, will reflect jewellery margin, which we have in India. But at this point of time, 5%, 6%.

We, of course -- all the stores, because of the high, more complex product and studded jewellery ratio being high in North America but operating costs also being high, more or less, margin profile remains same as you see in India. So there is nothing significantly different in international market.

**Siddhant Dand:** Okay. Could you just elaborate on the exceptional item?

**Ashok Sonthalia:** Okay. So we had INR194 crores of primary sales by our Dubai to Damas for some of these 2 stores, which we are getting Tanishq converted into Tanishq. And because Damas consolidation is starting from 1st January, until that, it was not, so that is kind of sale of our Dubai region where this additional profit is sitting. But from 1st January onwards, when Damas starts getting consolidated, then these kind of transactions will get eliminated. But before 1st January because these transactions happen, they could not be eliminated.

**Siddhant Dand:** Understood. Understood. Any update on what percentage of stores will be converted to Damas? Or what percentage of revenue will be converted -- sorry, will be converted to Tanishq from the Damas?

**Ashok Sonthalia:** No, there is nothing like that. Damas will continue to grow on the Arab segment, and they will continue to grow their retail network on that side. There were few stores, which were in the catchment, which was more appropriate for Tanishq kind of offering, and some of those stores are getting converted. You will see some of the quarter 4 also, and we will report that as -- when we present quarter 4 result. So some more stores will get converted apart from these 2.

But it is store-by-store assessment, and we don't have the final number. But it is not a very, very major activity. So Damas will keep growing with the network on the Arab side of the segment. Yes.

**Siddhant Dand:** Okay. That's great. My second question was regarding the TEAL margins also. There was some exceptional seasonality that you mentioned. Just a broad range of what kind of margins could we expect that business to have, just a conservative number?

**Ashok Sonthalia:** TEAL is a project business where we do percentage of completion method on a part of business, which is automation solution because they do projects. And that margin will reflect nature of projects, which are getting executed in that quarter and some ups and downs can happen.

Manufacturing services business, which is the second part, is more stable product kind of business. And combination of these 2 and TEAL is still not that scaled up entity. You can see these margin variations. But I can only tell you, TEAL is doing well with a good order book and good visibility for the future, but quarterly margin ups and downs, you might expect in future also.

**Moderator:** We take the next question from the line of Jignanshu Gor from Bernstein Research.

**Jignanshu Gor:** Good numbers. I wanted to check on the jewellery business. We have, of course ramped -- seem to have ramped up our activity marketing efforts, both discounting, gold schemes, et cetera. And then as I think we discussed, the margin has taken a hit on a normalized basis. I think my question is, in the longer term, what do you -- if this gold price stability does not happen during the year, would you want to revise how you approach the problem you are solving? Is it a margin profile? Is it ROCE? Is it absolute margin growth? What are we really solving for? Or is it market share in revenue terms? And how do we think about your approach to decision-making here?

**Ajoy Chawla:** Jignanshu, this is Ajoy Chawla. I want to first make a few observations and correct you slightly. Firstly, our approach has not been to drive discounting to grow. That is part of par for the course for most festive season and other occasions, and it's been there. We have not -- in fact, our discounts have been slightly lower if you ask me then more.

In fact, our entire approach has been to create excitement in the customers minds on 2 counts: one is the freshness of products and product innovation and campaigns, which kind of appeal to

them and showcase these; and the second piece is to leverage exchange as an emotional connect with customers. We have had offers in exchange all along. This time, what we did was make it a different kind of narrative, which is based on the fact that we import a lot of gold in this country.

So I think these are the 2 fundamental shifts that have happened. And therefore, to that extent, will the -- is discounting or something that has driven down gross margins or something like that? No, that's not -- the honest answer is it's business mix, as Ashok said, because jewellery has become a larger share of the business. And within jewellery, the rising gold rate has impacted the studded margin as it is expected to, which we've explained earlier in terms of the material cost, relative weightage of gold and diamonds in the material cost.

And thirdly, it is to do with gold coin in a period like this of rising gold prices as well as festive quarter, where the product mix within jewellery also undergoes some change. So frankly, these are the only pieces.

Now whether the operating leverage will continue to kick in, it depends on the scale of the business. We believe it should, but I think, as Ashok pointed out, please start looking at absolute growth in our EBIT and PBT and compare it to the absolute growth in gross contribution or absolute overall growth. That might be more relevant. Once gold prices stabilizes, maybe we can come to some understanding of where it settles down.

**Jignanshu Gor:** Okay. That's helpful, Ajoy. Second question was on CaratLane. So we saw a significant margin uptick here, but there's no specific mention of any base effect here for custom duties or anything. So I just wanted a bit of color on how to look at the CaratLane margin performance, especially, as you rightly said, with studded sort of also going down a little given gold price. So what has really led to it? And how should we think about it in the future?

**Ajoy Chawla:** Ashok will respond to this.

**Ashok Sonthalia:** So CaratLane has a high proportion of studded, and that is where the last quarter, there was some impact of custom duty, but it was not so significant like Tanishq or Titan jewellery business that we needed to call out. There was some element of that for sure.

As you are aware that there has been operating leverage at play in CaratLane, which is available from the financials of CaratLane, the studded proportion has slightly come down because they also introduced 9 carat, 14 carat, modern gold jewellery, which is getting good traction and particularly in the online space and gifting space, et cetera.

So I expect that overall margin, we had -- if you remember, a couple of quarters back, we had said that, gradually, CaratLane with the scale will start inching towards double-digit EBIT margin. And I think they have reached -- they are maybe slightly earlier than what we expected, but I think they would stay there, low double-digit margin EBIT profile. That is, I would say. I think if Saumen is on the call, he wants to add anything. Saumen, are you on the call?

**Saumen Bhaumik:** Yes, I am. Can you hear me?

**Ashok Sonthalia:** Yes. Yes, we can hear. You can add if you want to, if I missed anything.

**Saumen Bhaumik:** Yes, sure. No, I think you pretty much covered everything. I think our studded ratio is anywhere between 85% to 90%. We have been hit by the escalating gold rate in quarter 1 quite badly. I think we recovered a bit better in quarter 2 and quarter 3. That's one part. And I think revenue growth was the single largest factor, and we have been consistently managing our cost over the last 6 quarters, if you look at our figures.

I think -- so revenue growth and cost management are the 2 main factors, and recovery from the margin drop that happened in Q1 are the 3 things that I would attribute Q3's -- the profit performance.

And in production of 9-carat diamond jewellery, Shaya Diamond, which is silver and diamond combination, they are low in terms of contribution today, but they have a positive impact when it comes to margin.

**Jignanshu Gor:** Okay. That's very helpful. Just a clarification on this. So studded growth in volume terms is broadly same -- is -- or studded share in volume terms rather is broadly same as last year. Is that a fair point?

**Ajoy Chawla:** Yes. I think we'll let that be. We'll give you more details in the Investor Day. Saumen will share a little bit during the Investor Day. Yes?

**Saumen Bhaumik:** Yes.

**Moderator:** We take the next question from the line of Harit Kapoor from Investec.

**Harit Kapoor:** So just 2 questions from mine. The first one was on domestic jewellery. So over the last 6 months, last 2 quarters specifically, have you been kind of positively surprised with the level of gross contribution you've been able to hold as well as the relative inelasticity, if I can call it that, on the grammages, while they obviously would have declined? But has both these elements kind of positively surprised you? And in that context, your comment on kind of consumer behavior and expected going forward also would be helpful. That's my first question.

**Ajoy Chawla:** So I won't answer the gross contribution. This is Ajoy here. I'll let Ashok answer that. But I'll just talk a little bit about the consumer and how we are looking at it. I think if you step back and see, the -- there was a lot of people on the fence if I go back to quarter 1 and quarter 2, waiting for gold prices to correct. That's my reading if I recollect right.

And the moment they saw that gold prices are only going up and there were enough rumors in the market that will continue to go up and then the festive season came followed by the wedding season, lot of customers really jumped in on account of this entire FOMO (fear of missing out), and I feel that is continuing even now. It remains now. Of course, with the volatility in gold

price, maybe it might stabilize a bit or people may once again think, pause and wait. So I think that's the larger consumer story, which is why we are seeing that why we've been able to hold.

The second piece, I think, is more internal to us. I think our teams have gone out on a limb and then extensive work on product, on retail, on customer outreach, on exchange. And I think it speaks volumes for the exchange -- for the execution that has really played out. So I think somewhere some credit also goes to the teams for having done that. On gross contribution, I'll leave it for Ashok to answer.

**Ashok Sonthalia:**

Harit, I don't think we specifically and separately disclose jewellery gross contribution, but maybe you are taking Titan as a proxy for jewellery. And to that extent, we explained in the earlier question also that those elements are playing out, particularly last 5, 6 quarters, where gold prices are going up in a very, very accelerated manner.

And as long as this trend continues, except in January, first time, we saw really huge volatility and corrections, but again, it has started going up. And what we are told by people like you and economists, that structural things underlying gold bullishness is to stay. So one can expect that gold prices might continue to go up.

And in that environment, there will be stress on margins. Some parts, we've been able to mitigate through operating leverage. As long as we are able to deliver good revenue growth, we will get operating leverage and we will be able to maintain EBIT level or PBT level margin profile.

**Harit Kapoor:**

Great. And the second question was on -- earlier participants have asked about formalization, but my question is from the perspective of in an environment where the cost of doing business, as far as inventory is concerned, dramatically goes up and the entire market doesn't have the balance sheet that you do, do you expect pace of expansion in the industry to kind of relatively slow down. Not for you but generally, to slow down given just the inventory cost is so high, is primarily a COCO model ex your business. So just some thoughts on that?

**Ajoy Chawla:**

It's difficult to comment on how the industry will behave. It will be very speculative. I think we should wait and watch how it plays out. It's been only a few months. To draw conclusions of a long-standing nature on that may be inappropriate.

**Ashok Sonthalia:**

But certainly, it puts us, in a, I would say, a bit, not huge, but it's an advantage, competitive advantage for us because we are able to at least fund our inventory, I think, better than others.

**Moderator:**

We take the next question from the line of Amit Sachdeva from UBS Group.

**Amit Sachdeva:**

Congratulations on great set of numbers. Sir, my question is on the studded business and just wanted your comments in terms of how the consumer behavior in this segment is shaping up now that you own both the narratives of LGD, which is on one set of consumer value proposition and Tanishq diamonds on the other?

But I also know that higher-value segment is growing faster, but 1 lakh to 2 lakh was a bit under pressure, but you also launched lots of things in sub-1 lakh segment. So just wanted your kind of input here, how this business consumer behavior is shaping up and also the studded promotion in that context, how it is responding to some of the initiatives on price points that you have taken. So some color there would be very helpful.

**Arun Narayan:** Sure. Thanks, Amit. Arun here. You're right in saying that we have been seeing pressure sub-1 lakh, not 1 to 2, but sub-1 lakh in studded jewellery but also with gold rate behaving the way they are also in gold jewellery. Above 1 lakh is a different picture for studded jewellery. And a lot of efforts from our side, like I said earlier, to keep jewellery accessible has really been top of our mind. And what you see even in January with the 'Festival of Diamonds' and with a new face to our daily-wear studded portfolio with 'Ananya Panday', et cetera, are all efforts we are doing to woo that customer back into the store.

So as we said, continues to be high on our priority. I don't think -- I mean it will take lots more effort for us to do that. So I will only leave it by saying that, let's say, the trends that we are seeing, in a sense, maybe the slowdown in less than 1 lakh may be plateauing a bit. We're not seeing an acceleration there. And even in January, we are seeing some early signs of results from the efforts we are putting in. But to be honest, it will take a lot more than that to win that customer back given what we are seeing in terms of price inflation here.

**Ajoy Chawla:** So I have one additional comment to add here. As a portfolio of brand, between Tanishq, which has a substantial contribution of buyers in the sub-1 lakh, sub-50,000, Mia, CaratLane and hopefully, going forward in the future beYon, which is a different kind of play, I think we should look at the portfolio play eventually, and that's our game plan, to ensure that we own that customer in the sub-100,000 space and more importantly, bring in many more customers in the studded space in the sub-100,000. In fact, the stress on gold in the sub-100,000, buyers is far higher than studded, so -- which is fine. We understand and there will be different solutions for that.

**Amit Sachdeva:** Got it. Well, that's very helpful, Ajoy and Arun. So just a small one here is that, obviously, last year, we've seen studded being in the teens and then last quarter was a bit better. In this promotion cycle, are we seeing a similar growth in studded as the last quarter or acceleration or some sort of -- from a trend point of view, what so far we've seen in January? Is there a comment that you would make?

**Arun Narayan:** It's too early to call that, Amit. Having said that, I would say that quarter 3 has been better than the period prior to that, but quarter 4, do allow us to wait and call it out at an appropriate time. It's perhaps a little too early. Also, our 'Festival of Diamonds' is a longish campaign, so we'll have to wait and see how that plays out.

**Amit Sachdeva:** Congratulations once again on great set of numbers.

**Moderator:** We take the next question from the line of Mihir Shah from Nomura.

**Mihir Shah:** Sir, firstly, one clarification on ticket size, assuming constant gold prices. Is there a material swing or difference in ticket size across quarters? So usually, third quarter is the highest saliency for you. So does wedding and festive quarter have a material difference and 1.9 can be material difference for the remaining 3 quarters? Just for clarification that first.

**Arun Narayan:** Yes. So I mean, there are 2 forces, so to say. One is the consumer mix and the need state mix, and second is the gold rate increase. So what we are seeing in quarter 3, we are seeing play out in quarter 4 as well because it is also a wedding quarter. And we have seen gold rates increase significantly even beyond December into January. So yes. So we are seeing quarter 4 begin to behave similar to quarter 3.

**Ajoy Chawla:** So I'll just add one more flavor for this. Typically during Akshaya Tritiya and Dhanteras, there are a lot more people who come in, many new buyers also come in because they buy small tickets. They buy coins. They buy all kinds of -- so actually, during those periods of 15 days, you normally land up seeing a slightly lower ticket size. But as Arun said, during wedding purchases, et cetera, you see higher ticket size. And during 'Festival of Diamonds' or diamond activation, you see higher ticket size.

**Mihir Shah:** Higher ticket size, understood. So assuming the swings across quarters will not be as material is predominantly the understanding, right?

**Arun Narayan:** That's correct. You're right.

**Mihir Shah:** Secondly, despite...

**Moderator:** Ladies and gentlemen, we have lost the line of the participant. We'll move on to the next question from the line of Jay Doshi from Kotak.

**Jaykumar Doshi:** Congratulations on great execution. The question is, in the past, you've indicated that passing on making charges to consumers in a rising gold price environment is gradual over a couple of quarters. And so you invariably saw some dip in margins. When I look at this quarter's performance on a Y-o-Y basis, despite all the margin headwinds, be it mix or in a volatile environment, your EBIT growth is exceptionally good and strong. So my question is are you positively surprised by the acceptance of making charge as a percentage of sales this -- in this upcycle of gold price. Or is this -- is it kind of behavior that you would have expected in any case at the beginning of the quarter?

**Ajoy Chawla:** This is Ajoy here. I'll take that question. What we are seeing -- so I think there are 2, 3 things at play. Firstly, there is a slight shift in the repeat and new buyer contribution. If you see buyer contribution compared to year-on-year is 3 percentage points down. And typically, they come in at lower ticket size, whereas repeat buyers come at higher ticket size. Secondly, because of wedding and the repeat buyers being high, we typically find a richer product mix that we are able to sell compared to new and, let's say, non-wedding.

The third angle I would like to say, which is -- which goes in the opposite direction, because of higher gold prices, there is a tendency for customers to kind of slip down the complexity order, which I mean is that instead of buying very high making charge products, they may tend to slip to slightly medium size -- medium complexity products.

So these are 2 forward and 1 backward. And there's 1 more forward, which has helped us a lot in quarter 3, is the collection that we launched was phenomenally successful. It so happens to be we did exceptionally well with the Mriganka collection and the campaign, which the team put out. That created desire, what I would call is irrational desire. So I think all these 3, 4 factors combined have seen the outcome that you are seeing.

And the final point I would say, which is not related to gold but to do with studded, the team put in a lot of work in doing many high-value exhibitions across the country, that has helped a lot in the quarter, and I'm sure will continue to help us in this quarter 4 as well. So all these forces have come together to kind of give you the outcome. Many of them have added together to give us a big bumper quarter. Let's see how things go on as we go forward.

**Moderator:** We take the next question from the line of Vivek from Jefferies.

**Vivek:** A couple of questions on the gold price bit. One is not very long back, there was this concern that -- not concern, but there was this debate whether the younger generation prefers gold as much whether as investment class or as a consumption category. Do you think with the way which prices have gone up, so much excitement around ETFs, and I'm sure you would have seen gold ETF data yesterday, do you think that, that alters this behavior and the next generation will be far more geared towards gold versus what it could have been otherwise?

**Arun Narayan:** No, looking at the performance of CaratLane and Mia in our portfolio, we are actually seeing youngsters stay with us and continue to be invested in jewellery, both as an investment as well as for adornment more. And whatever we are doing to keep products exciting in terms of new collections across all our brands is also kind of keeping them excited in the category.

So we aren't seeing an adverse move here. We're only seeing a good response to the excitement that we are bringing in, both in terms of the store additions that we have done, which is quite significant for Mia and also in terms of the new collections and campaigns that we are bringing out.

**Vivek:** Okay. Sure. But from a medium-term perspective, how do you think about this behavior because Mia, CaratLane are still entry level? Do you think the interest level of younger generation gets much higher because of all the narrative around gold and the fact that it has come under the consideration set, whether it's ETF or gold jewellery? Do you think something changes or you don't think as much as you gauge today?

**Arun Narayan:** No, we are seeing -- I mean, we are seeing it stay positive, which is why our investments in store expansion continue to be fairly robust on both -- on Mia. So we are taking a positive view of the future.

**Ajoy Chawla:** It's positive only. Even from what I gather, anecdotally, both CaratLane and Mia have had enough inquiries for gold products. They may do different kinds of gold products, 18 carat or modern gold. Tanishq has seen good modern gold. So I think, by and large, I would stay on the track of what Arun said. Even younger customers are interested in gold and that may sustain.

**Vivek:** Got it. And the second point on this gold price bid, and again, I'm not sure if -- because I have not at least come across anecdotally also. But in a scenario where gold prices are moving up, does that also worry, let's say, customers could go into a neighborhood store just from a gold purity perspective or otherwise or availability, sheerly, the availability with the jeweller and that benefits organized players including yourself?

**Ajoy Chawla:** Quite likely.

**Moderator:** Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to Mr. Ajoy Chawla for the closing comments.

**Ajoy Chawla:** Thank you. It's been a very good quarter, and thank you for all the wonderful questions that keep us thinking. Look forward to interacting with you soon. Bye. Take care.

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