



# TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456  
3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

₹ in lakhs

PART I

Particulars	3 months ended			6 months ended		Year ended
	30-09-2018 (Unaudited)	30-06-2018 (Unaudited)	30-09-2017 (Unaudited)	30-09-2018 (Unaudited)	30-09-2017 (Unaudited)	31-03-2018 (Audited)
I. Revenue from operations (Refer note 6, 7)						
- Sale of products/ services	452,218	440,657	353,337	892,875	761,146	1,598,267
- Other operating revenues	4,905	4,446	4,881	8,951	7,419	17,328
II. Other income	2,790	3,613	2,083	6,403	4,908	8,886
<b>III. Total income (I + II)</b>	<b>459,513</b>	<b>448,716</b>	<b>360,301</b>	<b>908,229</b>	<b>773,473</b>	<b>1,624,481</b>
IV. Expenses:						
Cost of materials and components consumed	351,004	218,801	343,564	569,805	580,828	1,045,282
Excise duty	-	-	-	-	3,618	3,618
Purchase of stock-in-trade	85,538	59,093	57,899	144,631	113,134	221,201
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(109,622)	45,437	(144,095)	(64,185)	(137,411)	(97,861)
Employee benefits expense	24,428	23,932	20,939	48,360	41,786	88,508
Finance costs	1,349	1,089	1,452	2,438	2,529	5,292
Depreciation and amortisation expense	4,279	4,074	3,103	8,353	6,056	13,143
Advertising	14,933	15,544	10,660	30,477	22,633	49,399
Other expenses	43,550	34,009	27,063	77,599	65,297	140,979
<b>IV. Total expenses</b>	<b>415,459</b>	<b>401,979</b>	<b>320,385</b>	<b>817,438</b>	<b>698,470</b>	<b>1,469,561</b>
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)	44,054	46,737	39,716	90,791	75,003	154,920
VI. Share of profit/ (loss) of:						
- Associate	38	(11)	(2)	27	(4)	(37)
- Joint Venture	(208)	(36)	31	(244)	(48)	(240)
VII. Profit before exceptional item and tax (V - VI)	43,884	46,690	39,745	90,574	74,951	154,643
VIII. Exceptional item (Refer note 5)	-	-	65	-	1,095	1,665
IX. Profit before tax (VII - VIII)	43,884	46,690	39,680	90,574	73,856	152,978
X. Tax expense:						
Current tax	13,790	13,507	12,311	27,297	23,061	44,996
Deferred tax	(17)	368	(424)	351	(795)	(2,209)
<b>X. Total tax</b>	<b>13,773</b>	<b>13,875</b>	<b>11,887</b>	<b>27,648</b>	<b>22,266</b>	<b>42,787</b>
XI. Profit for the year (IX-X)	30,111	32,815	27,793	62,926	51,590	110,191
XII. Other comprehensive income						
(i) Items that will not be reclassified to the statement of profit and loss						
- Remeasurement of employee defined benefit plans	(298)	(1,510)	699	(1,808)	(81)	2,273
- Income-tax on (i) above	86	421	(193)	507	(9)	(665)
(ii) Items that will be reclassified to the statement of profit and loss						
- Effective portion of gain or (loss) on designated portion of hedging instruments in a cash flow hedge	825	9,450	(5,125)	10,275	(5,770)	(2,570)
- Exchange differences in translating the financial statements of foreign operations	350	47	43	397	141	410
- income-tax on (ii) above	(219)	(2,658)	1,486	(2,877)	1,673	724
<b>XII. Total other comprehensive income</b>	<b>744</b>	<b>5,750</b>	<b>(3,090)</b>	<b>6,494</b>	<b>(4,046)</b>	<b>172</b>
XIII. Total comprehensive income (XI+XII)	30,855	38,565	24,703	69,420	47,544	110,363
Profit for the period attributable to:						
- Owners of the Company	30,591	33,146	28,385	63,737	52,710	113,009
- Non-controlling interest	(480)	(331)	(592)	(811)	(1,120)	(2,818)
Other comprehensive income for the period attributable to:						
- Owners of the Company	744	5,750	(3,090)	6,494	(4,046)	191
- Non-controlling interest	-	-	-	-	-	(19)
Total comprehensive income for the period attributable to:						
- Owners of the Company	31,335	38,896	25,295	70,231	48,664	113,200
- Non-controlling interest	(480)	(331)	(592)	(811)	(1,120)	(2,837)
	30,855	38,565	24,703	69,420	47,544	110,363
XIV. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878	8,878	8,878
XV. Other equity:						500,110
XVI. Earnings per equity share of ₹ 1: (based on total comprehensive income for the period attributable to Owners of Company (XIII))						
Basic and diluted (not annualised)	3.45	3.73	3.20	7.18	5.94	12.73

See accompanying notes to the consolidated unaudited financial results





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## BALANCE SHEET

₹ in lakhs

Particulars	As at 30-09-2018 (Unaudited)	As at 31-03-2018 (Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	110,702	110,204
(b) Capital work-in-progress	4,134	4,301
(c) Investment property	2,402	2,268
(d) Intangible assets	23,352	22,608
(e) Intangible assets under development	554	36
(f) Goodwill on consolidation	12,301	12,301
(g) Financial assets		
(i) Investments	3,220	3,438
(ii) Other financial assets	12,065	12,505
(h) Deferred tax assets (net)	330	3,606
(i) Other non-current assets	11,214	10,834
(j) Income tax assets (net)	10,136	10,219
	<b>190,410</b>	<b>192,320</b>
<b>(2) Current assets</b>		
(a) Inventories	688,024	592,484
(b) Financial assets		
(i) Investments	-	161
(ii) Trade receivables	49,155	29,569
(iii) Cash and cash equivalents	25,253	47,205
(iv) Bank balances other than (iii) above	22,010	14,586
(v) Other financial assets	79,845	33,966
(c) Other current assets	61,664	42,130
	<b>925,951</b>	<b>760,101</b>
<b>TOTAL ASSETS</b>	<b>1,116,361</b>	<b>952,421</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	8,878	8,878
(b) Other equity	529,751	500,110
Equity attributable to the equity holders	538,629	508,988
Non-controlling interest	(993)	(182)
<b>TOTAL EQUITY</b>	<b>537,636</b>	<b>508,806</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	126	126
(b) Provisions	12,040	11,634
(c) Deferred tax liability (net)	377	317
	<b>12,543</b>	<b>12,077</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	14,024	7,899
(ii) Gold on loan	246,261	161,202
(iii) Trade payables	102,758	87,774
(iv) Other financial liabilities	16,730	25,462
(b) Provisions	4,802	2,473
(c) Other current liabilities	179,429	144,529
(d) Current tax liabilities (net)	2,178	2,199
	<b>566,182</b>	<b>431,538</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,116,361</b>	<b>952,421</b>





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SEGMENT INFORMATION (Refer note 9)

₹ lakhs

Particulars	3 months ended			6 months ended		Year ended
	30-09-2018 (Unaudited)	30-06-2018 (Unaudited)	30-09-2017 (Unaudited)	30-09-2018 (Unaudited)	30-09-2017 (Unaudited)	31-03-2018 (Audited)
<b>Segment revenues and profit and loss</b>						
a) Sales / Income from segments						
Watches	67,884	59,626	57,794	127,510	109,652	213,153
Jewellery	364,507	364,259	282,504	728,766	625,018	1,325,685
Eyewear	12,000	13,157	10,062	25,157	21,362	41,498
Others	12,839	8,527	8,233	21,366	13,345	37,149
Corporate (unallocated)	2,283	3,147	1,708	5,430	4,096	6,996
<b>Total</b>	<b>459,513</b>	<b>448,716</b>	<b>360,301</b>	<b>908,229</b>	<b>773,473</b>	<b>1,624,481</b>
b) Profit / (Loss) from segments before finance costs and taxes						
Watches	11,146	9,955	8,263	21,101	12,253	20,861
Jewellery	37,837	38,416	34,846	76,253	67,171	146,267
Eyewear	90	174	135	224	452	240
Others	350	(965)	(1,308)	(615)	(2,275)	(2,544)
Corporate (unallocated)	(4,150)	199	(804)	(3,951)	(1,216)	(6,554)
	45,233	47,779	41,132	93,012	76,385	158,270
Finance costs	1,349	1,089	1,452	2,438	2,529	5,292
<b>Profit before taxes including share from Associate and Joint Venture.</b>	<b>43,884</b>	<b>46,690</b>	<b>39,680</b>	<b>90,574</b>	<b>73,856</b>	<b>152,978</b>
c) Segment assets and liabilities						
Segment assets						
Watches	168,923	153,194	135,578	168,923	135,578	139,796
Jewellery	718,344	573,913	668,404	718,344	668,404	602,453
Eyewear	32,205	29,623	29,311	32,205	29,311	28,695
Others	44,482	41,171	40,323	44,482	40,323	43,499
Corporate(Unallocated)	152,407	239,243	92,693	152,407	92,693	137,978
<b>Total</b>	<b>1,116,361</b>	<b>1,037,134</b>	<b>966,309</b>	<b>1,116,361</b>	<b>966,309</b>	<b>952,421</b>
Segment liabilities						
Watches	49,160	49,208	50,511	49,160	50,511	46,035
Jewellery	490,645	403,929	399,387	490,645	399,387	365,515
Eyewear	9,361	8,233	8,126	9,361	8,126	8,122
Others	14,875	12,685	12,877	14,875	12,877	12,085
Corporate(Unallocated)	14,684	16,201	52,570	14,684	52,570	11,858
<b>Total</b>	<b>578,725</b>	<b>490,256</b>	<b>523,471</b>	<b>578,725</b>	<b>523,471</b>	<b>443,615</b>







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## Notes:

1 Standalone unaudited financial results for the quarter and six months ended 30 September 2018 can be viewed on the website of the Company, National Stock Exchange of India Limited (NSE) and BSE Ltd. Information of standalone unaudited financial results of the Company in terms of Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") is as under:

Particulars	3 months ended			6 months ended		Year ended
	30-09-2018 (Unaudited)	30-06-2018 (Unaudited)	30-09-2017 (Unaudited)	30-09-2018 (Unaudited)	30-09-2017 (Unaudited)	31-03-2018 (Audited)
Revenue from operations	440,684	431,885	348,759	872,569	751,423	1,565,585
Profit before tax	44,589	48,698	42,450	93,287	79,520	157,072
Net profit for the period (after tax)	31,438	34,917	30,564	66,355	57,254	116,287
Total comprehensive income	31,850	40,696	27,399	72,546	53,180	115,977

2 The unaudited financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

3 The consolidated unaudited financial results includes results of:

### Subsidiaries

Favre Leuba A G, Switzerland  
Titan Engineering & Automation Limited  
Titan Watch Company Limited, Hong Kong  
(100% subsidiary of Favre Leuba A G)  
Carat Lane Trading Private Limited  
Titan TimeProducts Limited (up to 18 June 2018)

### Joint Venture

Montblanc India Retail Private Limited

### Associate Company

Green Infra Wind Power Theni Limited

4 As at 30 September 2018, the Group had, as part of its Treasury operations, invested in inter corporate deposit amounting to INR 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group) on the basis of highest credit rating by credit rating agencies. These are due for maturity in November 2018 and December 2018. Post the downgrading of the ratings in September 2018, Management has provided for an amount of INR 2,900 lakhs for impairment in value of deposit. The Group, however, continues to monitor developments in this matter and is committed to take steps that may be necessary to ensure full recoverability.

### 5 Exceptional items include:

The Group had announced Early Retirement Schemes to its employees during the year ended 31 March 2018. The expenses incurred for the quarter and six months ended 30 September 2017 is ₹65 lakhs and ₹ 1,095 lakhs respectively and for the year ended 31 March 2018 is ₹ 1,665 lakhs.

Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below for the quarters and six months ended 30 September 2017 and year ended 31 March 2018 :  
₹ in lakhs

Segment	3 months ended 30-09-2017	6 months ended 30-09-2017	Year ended 31-03-2018
	(Unaudited)	(Unaudited)	(Audited)
Watches	8,263	13,248	22,275
Jewellery	34,911	67,271	146,519
Eyewear	135	482	240
Others	(1,308)	(2,275)	(2,544)
	42,001	78,696	166,490
Corporate (Unallocated)	(804)	(1,216)	(6,555)
	41,197	77,480	159,935

6 Revenue from operations for the period up to 30 June 2017 includes excise duty on goods sold. With the implementation of Goods and Service Tax (GST) in India w.e.f. 1 July 2017, excise duty has subsumed into GST and hence, revenue from operations for the period from 1 July 2017 does not include excise duty.

7 Other operating revenue includes a) Sale of precious / semi-precious stones, b) Sale of gold / platinum, c) Government grant and d) Scrap sales. Government grant pertains to the budgetary support under Goods and Service Tax (GST refund) for the existing eligible units under the different industrial promotion schemes.

8 The Group has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Accordingly, the Group has included the results of Titan TimeProducts Limited from 1 April 2018 to 18 June 2018 in its consolidated unaudited financial results for the six months ended 30 September 2018. Consequently, the Company has recognised profit on sale of investment amounting to ₹ 487 lakhs under the head "Other income" during the six months ended 30 September 2018.

9 The Group is structured into four verticals namely Watches, Jewellery, Eyewear and Others where "Others" include Precision Engineering, Machine Building, Accessories, Fragrances and Sarees. Accordingly, the Company has presented its segment results under these business segments in the manner consistent with the internal reporting to the chief operating decision maker (CODM).

10 The statutory auditors have carried out limited review of the unaudited consolidated financial results for the quarter and six months ended 30 September 2018 and have issued an unmodified review report.

11 Effective 1 April 2018, the Group has adopted Ind AS 115, Revenue from Contracts with Customers using the cumulative effect (without practical expedients). There are no material impacts of transition to Ind AS 115 on retained earnings as on 1 April 2018 and the unaudited financial results for the quarter and six months ended 30 September 2018.

12 The comparative figures have been regrouped/reclassified, where necessary to conform to the current period's presentation.

13 The unaudited financial results of the Group for the quarter and six months ended 30 September 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting on 9 November 2018.

For and on behalf of the Board of Directors

Bhaskar Bhat  
Managing Director

Place: Bengaluru  
Date: 9 November, 2018

