



TITAN COMPANY LIMITED

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

STATEMENT OF STANDALONE 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 4,5)						
- Sale of products/ services	435,339	426,856	343,896	862,195	744,053	1,548,345
- Other operating revenue	5,345	5,029	4,863	10,374	7,370	17,240
II. Other income	2,678	3,567	2,045	6,245	4,804	8,640
III. Total income (I + II)	443,362	435,452	350,804	878,814	756,227	1,574,225
IV. Expenses:						
Cost of materials and components consumed	343,104	212,829	332,787	555,933	564,983	1,024,021
Excise duty	-	-	-	-	3,455	3,455
Purchase of stock-in-trade	83,474	55,894	57,813	139,368	112,966	207,691
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(108,534)	47,146	(141,522)	(61,388)	(131,045)	(93,139)
Employee benefits expense	20,575	20,654	18,102	41,229	36,069	76,226
Finance costs	1,053	883	1,434	1,936	2,492	4,768
Depreciation and amortisation expense	3,748	3,514	2,538	7,262	5,016	10,967
Advertising	13,595	13,621	9,787	27,211	20,379	44,099
Other expenses	41,758	32,213	27,350	73,971	61,297	129,900
IV. Total expenses	398,773	386,754	308,289	785,527	675,612	1,407,988
V. Profit before exceptional item and tax (III - IV)	44,589	48,698	42,515	93,287	80,615	166,237
VI. Exceptional item (Refer note 3)	-	-	65	-	1,095	9,165
VII. Profit before tax (V - VI)	44,589	48,698	42,450	93,287	79,520	157,072
VIII. Tax expense:						
Current tax	13,203	13,440	12,311	26,643	23,061	44,643
Deferred tax	(52)	341	(425)	289	(795)	(3,858)
VIII. Total tax	13,151	13,781	11,886	26,932	22,266	40,785
IX. Profit for the period (VII-VIII)	31,438	34,917	30,564	66,355	57,254	116,287
X. Other comprehensive income						
(i) Items that will not be reclassified to the statement of profit and loss						
- Remeasurement of employee defined benefit plan	(270)	(1,399)	667	(1,669)	32	2,154
- Income-tax on (i) above	76	386	(193)	462	(9)	(618)
(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)
- income-tax on (ii) above	(219)	(2,658)	1,486	(2,877)	1,673	724
X. Total other comprehensive income	412	5,779	(3,165)	6,191	(4,074)	(310)
XI. Total comprehensive income (IX+X)	31,850	40,696	27,399	72,546	53,180	115,977
XII. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878	8,878	8,878
XIII. Other equity:						510,521
XIV. Earnings per equity share of ₹ 1: [based on net profit for the period (IX)] Basic and diluted (not annualised)	3.54	3.93	3.44	7.47	6.45	13.10

See accompanying notes to the standalone unaudited financial results



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BALANCE SHEET

₹ in lakhs

Particulars	As at 30-09-2018 (Unaudited)	As at 31-03-2018 (Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	94,005	92,107
(b) Capital work-in-progress	3,704	4,081
(c) Investment property	2,402	2,268
(d) Intangible assets	3,615	3,010
(e) Intangible assets under development	486	36
(f) Financial assets		
(i) Investments	74,432	73,375
(ii) Other financial assets	10,993	11,560
(g) Deferred tax asset (net)	1,640	4,805
(h) Other non-current assets	10,991	10,600
(i) Income tax assets (net)	10,067	10,067
	212,335	211,909
(2) Current assets		
(a) Inventories	665,721	574,920
(b) Financial assets		
(i) Trade receivables	40,323	19,299
(ii) Cash and cash equivalents	24,019	46,644
(iii) Bank balances other than (iii) above	22,005	14,584
(iv) Other financial assets	79,638	35,378
(c) Other current assets	56,429	36,907
	888,135	727,732
TOTAL ASSETS	1,100,470	939,641
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,878	8,878
(b) Other equity	542,932	510,521
TOTAL EQUITY	551,810	519,399
Liabilities		
(1) Non-current liabilities		
(a) Provisions	11,011	10,394
	11,011	10,394
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,958	-
(ii) Gold on loan	243,990	160,386
(iii) Trade payables	91,560	78,632
(iv) Other financial liabilities	16,823	25,125
(b) Other current liabilities	174,156	141,410
(c) Provisions	4,229	2,125
(d) Current tax liabilities (net)	1,933	2,170
	537,649	409,848
TOTAL EQUITY AND LIABILITIES	1,100,470	939,641





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SEGMENT INFORMATION (Refer note 7)

₹ in 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)
Segment revenues and profit and loss						
a) Sales / Income from segments						
Watches	67,570	59,352	57,621	126,922	109,291	212,643
Jewellery	358,208	357,166	278,760	715,374	616,824	1,303,587
Eyewear	12,000	13,157	10,062	25,157	21,362	41,498
Others	3,301	2,630	2,653	5,931	4,654	9,501
Corporate (unallocated)	2,283	3,147	1,708	5,430	4,096	6,996
Total	443,362	435,452	350,804	878,814	756,227	1,574,225
b) Profit / (Loss) from segments before finance costs and taxes						
Watches	12,176	11,132	9,140	23,308	14,016	25,788
Jewellery	39,198	39,338	36,758	78,536	70,634	154,298
Eyewear	(100)	174	135	74	452	240
Others	(1,650)	(1,311)	(1,315)	(2,961)	(1,926)	(4,429)
Corporate (unallocated)	(3,982)	248	(834)	(3,734)	(1,164)	(14,057)
	45,642	49,581	43,884	95,223	82,012	161,840
Finance costs	1,053	883	1,434	1,936	2,492	4,768
Profit before taxes	44,589	48,698	42,450	93,287	79,520	157,072
c) Segment assets and liabilities						
Segment assets						
Watches	162,028	146,142	129,538	162,028	129,538	135,424
Jewellery	674,798	533,003	628,295	674,798	628,295	561,126
Eyewear	32,205	29,623	29,311	32,205	29,311	28,695
Others	6,509	5,442	6,323	6,509	6,323	5,171
Corporate(Unallocated)	224,930	311,229	167,928	224,930	167,928	209,225
Total	1,100,470	1,025,439	961,395	1,100,470	961,395	939,641
Segment liabilities						
Watches	47,548	47,761	50,095	47,548	50,095	44,802
Jewellery	473,957	391,289	393,274	473,957	393,274	353,553
Eyewear	9,361	8,233	8,126	9,361	8,126	8,122
Others	3,110	1,861	3,411	3,110	3,411	1,907
Corporate(Unallocated)	14,684	16,201	52,571	14,684	52,571	11,858
Total	548,660	465,345	507,477	548,660	507,477	420,242





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Notes:

- 1 The unaudited financial results of Titan Company Limited ("the Company") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 2 As at 30 September 2018, the Company 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 Company, however, continues to monitor developments in this matter and is committed to take steps that may be necessary to ensure full recoverability.

3 Exceptional items includes:

- (a) The Company 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.
- (b) Provision for impairment of investment in a subsidiary (Favre Leuba AG, Switzerland) made for the year ended 31 March 2018 amounting to ₹ 7,500 lakhs.

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

Segment	3 months ended	6 months ended	Year ended
	30-09-2017	30-09-2017	31-03-2018
	(Unaudited)	(Unaudited)	(Audited)
Watches	9,140	15,011	27,201
Jewellery	36,823	70,734	154,550
Eyewear	135	452	240
Others	(1,315)	(1,926)	(4,429)
	44,783	84,271	177,562
Corporate (Unallocated)	(834)	(1,164)	(6,557)
	43,949	83,107	171,005

- 4 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.
- 5 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.
- 6 The Company has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 18.50 crores. Consequently, the Company has recognised profit on sale of investment amounting to ₹ 4.87 crores under the head "Other income" during the six months ended 30 September 2018.
- 7 The Company is structured into four verticals namely Watches, Jewellery, Eyewear and Others where "Others" include Accessories, Fragrances and Sarees. Accordingly, the Company has presented its segment results under these business segments.
- 8 The statutory auditors have carried out limited review of the unaudited financial results for the quarter and six months ended 30 September 2018 and have issued an unmodified review report.
- 9 Effective 1 April 2018, the Company 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.
- 10 The unaudited financial results of the Company for the quarter and six months ended 30 September 2018 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 9 November 2018.
- 11 The comparative figures have been regrouped/reclassified, where necessary to conform to the current period's presentation.

Place: Bengaluru
Date: 9 November 2018



For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

