



SEC 12 / 2016-17

3rd August 2016

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Sub: Unaudited Financial Results (stand-alone) for the first quarter ended 30th June 2016

At the Board Meeting of the Company held today, the Unaudited Financial Results (stand-alone) for the first quarter ended 30th June 2016 was considered and approved. The Board meeting commenced at 10:05 AM and ended at 2:20 PM.

The Statutory Auditor of the Company, Deloitte Haskins & Sells have carried out a Limited Review for the quarter ended 30th June 2016 and a copy thereof is annexed therewith along with the resultsx.

We have also uploaded the results on the Stock Exchange websites at www.bseindia.com and www.nseindia.com and on the Company's website at www.titan.co.in.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

A.R. Rajaram
Head - Legal & Company Secretary

End. As stated

Titan Company Limited
(formerly Titan Industries Limited)

No. 132/133 DivyaSree Technopolis Yamalur Main Road Yamalur Post Bengaluru 560 037 India. Tel 91 80 6660 9000 Fax 91 80 6660 8073
Registered Office 3 Sipcot Industrial Complex Hosur 635 126 TN India Tel 91 4344 664 199 Fax 91 4344 276037. CIN: L74999TZ1984PLC001456
www.titan.co.in

A **TATA** Enterprise

3rd August 2016



Titan Company Ltd registers a revenue growth of 3.6% in Q1.

Sales income for Titan Company in Q1 grew by 3.6%. Retail sales in the first quarter were adversely impacted by fewer wedding dates and a significant impact on revenues in the jewellery industry due to high gold prices. The sales income grew from Rs.2686.76 crores last year to Rs.2782.50 crores in Q1. The profit after tax for the same period dropped by 16.3% to Rs.126.69 crores this year due to an exceptional item, the Voluntary Retirement Scheme announced for its employees during the quarter. The Company reported an expenditure of Rs.96.88 crores against this exceptional item and the entire amount has been accounted for in the quarter. The Company's PBT before extraordinary item stands at Rs.270.64 crores in Q1 as against Rs.204.41 crores during the same period last year, registering a growth of 32.4% for the quarter.

The Watches Business in Q1 this year recorded a growth of 1.4%. The income of Watches Business grew from Rs.485.17 crores to Rs.491.72 crores. The Jewellery income in Q1 was Rs.2138.32 crores as against Rs.2072.91 crores, a growth of 3.2%. The Company's Eyewear business grew by 2.7% from Rs.106.93 crores last year to Rs.109.87 crores in Q1 this year. The Company's other businesses including Precision Engineering grew by a healthy 36.2%, to Rs.63.92 crores this year.

The Company has put together plans to stimulate demand for all its product categories through innovative advertising campaigns and new product launches in the coming quarters.

Retail expansion continued with a net addition of 11 stores across all its businesses in the first quarter, ending the period with a retail area of over 1.73 mn sq.ft nationally. The Company's retail chain is 1293 stores strong, as on 30th June 2016 and is expanding with growth plans in place for all its retail businesses – watches, jewellery and eyewear.

After the satisfactory completion of the accounting and legal due diligence of CaratLane Trading Private Limited (CTPL), the Company has paid Rs 357cr to acquire around 62% stake in CTPL.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The first quarter this year has been good for the Company from a bottom line perspective, the final number though, has been impacted adversely by an exceptional item, the benefits of which will accrue over the coming years. Growth has been muted and our jewellery business has grown despite a reported drop of 50% in gold imports during the first half of this calendar year. The watches business introduced a new sub-brand Octane and the Jewellery business launched Niloufer which have received a good consumer response. The wedding season in Q1 was poor which impacted sales growth in both watches and jewellery. All our brands are working on plans to stimulate demand in the coming quarter."

S. Ravi Kant
Executive Vice President
(Corporate Communications)

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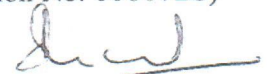
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF TITAN COMPANY LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **TITAN COMPANY LIMITED** ("the Company") for the Quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



V. Srikumar
Partner
(Membership No. 84494)

Place: *Gurgaon*
Date: August 03, 2016
VS/MNB/2016



TITAN COMPANY LIMITED

CIN: L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED JUNE 30, 2016

₹ lakh

	Quarter ended 30-06-2016	Quarter ended 31-03-2016	Quarter ended 30-06-2015	Year ended 31-03-2016
PART I				
Statement of Standalone Unaudited Results				
1 Income from operations				
(a) Net sales / Income from operations (Net of excise duty)	278,250	243,719	258,876	1,117,700
(b) Other operating income	1,631	1,915	2,188	8,763
Total income from operations (Net)	279,881	245,634	270,864	1,126,463
2 Expenses				
(a) Cost of materials consumed	174,881	196,403	136,597	742,395
(b) Purchase of stock-in-trade	18,672	17,807	29,771	95,623
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,894	(42,715)	26,402	(10,139)
(d) Employee benefits expense	19,194	14,524	17,597	67,637
(e) Advertising	10,269	9,113	12,892	42,918
(f) Depreciation and amortisation expense	2,608	2,542	2,297	9,711
(g) Other expenses	23,755	28,906	25,451	102,358
Total expenses	253,273	226,580	250,997	1,041,503
3 Profit from operations before other income and finance costs	26,608	18,954	19,867	84,960
4 Other income	1,335	2,602	1,757	7,359
5 Profit before finance costs	27,943	21,556	21,624	92,319
6 Finance costs	879	1,037	1,183	4,228
7 Profit after finance costs but before exceptional item	27,064	20,519	20,441	88,091
8 Exceptional item (refer note no. 3)	9,688	-	-	-
9 Profit before taxes	17,376	20,519	20,441	88,091
10 Tax expense				
- Current	5,056	3,357	5,300	18,693
- MAT Credit	-	(1,663)	-	(1,663)
- Deferred	(349)	(132)	(4)	(254)
11 Profit after taxes	12,669	18,957	15,145	71,315
12 Other Comprehensive income (OCI) (after taxes)	-	(510)	-	(510)
13 Total Comprehensive income (after taxes)	12,669	18,447	15,145	70,805
14 Paid-up equity share capital (face value ₹ 1 per share)	8,878	8,878	8,878	8,878
15 Basic and diluted earnings per equity share (₹) (Not annualised)	1.43	2.14	1.71	8.03

See accompanying notes to the financial results



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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3 SIPCOT INDUSTRIAL COMPLEX, HOSUR 535 125.

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED JUNE 30, 2016

₹ lakh

	Quarter ended 30-06-2016	Quarter ended 31-03-2016	Quarter ended 30-06-2015	Year ended 31-03-2016
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PART II

Segment Results				
Net sales / Income from segments				
Watches	49,172	44,482	48,517	195,702
Jewellery	213,832	184,537	207,291	872,100
Eyewear	10,967	9,646	10,693	37,241
Others	6,392	7,863	4,692	23,543
Corporate(Unallocated)	833	1,706	1,428	5,236
Total	281,216	248,236	272,621	1,133,822
Profit / (Loss) from segments before finance costs and taxes				
Watches	917	772	4,735	17,065
Jewellery	20,385	20,783	18,151	80,304
Eyewear	298	1,339	219	2,061
Others	(833)	(599)	(1,072)	(3,503)
Total	20,767	22,295	22,033	95,627
Less: Finance costs				
Unallocable expenditure net of unallocable income	2,512	739	409	3,306
Total	17,376	20,519	20,441	88,091
Profit before taxes				
Segment Assets				
Watches	128,252	119,774	123,271	119,774
Jewellery	412,361	415,954	345,304	415,954
Eyewear	18,738	16,771	15,268	16,771
Others	30,294	27,563	23,400	27,563
Corporate(Unallocated)	78,545	55,735	88,770	55,735
Total	668,190	635,797	596,013	635,797
Segment Liabilities				
Watches	51,250	44,381	54,910	44,381
Jewellery	230,596	219,260	173,958	219,260
Eyewear	8,908	8,073	8,499	8,073
Others	7,950	6,045	4,734	6,045
Corporate(Unallocated)	1,519	1,710	50,577	1,710
Total	300,223	279,469	292,678	279,469

Notes:

1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2 This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter ended June 30, 2016 which needs to be explained.

3 The Company has announced Voluntary Retirement Scheme (VRS) to its employees during the quarter. The entire expenses relating to the same being exceptional are classified accordingly and accounted for in the quarter. Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below for the quarter ended June 30, 2016.

Division	₹ lakh
Watches	7,009
Jewellery	21,755
Eyewear	653
Others	(201)
	<u>29,216</u>
Corporate (Unallocated)	<u>(1,273)</u>
	<u>27,943</u>

4 The Company is structured into four verticals namely Watches, Jewellery, Eyewear and others where 'Others' include Precision Engineering, Machine Building, Clocks, Accessories and Fragrances. Accordingly, the Company has presented its segment results under these business segments.



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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED JUNE 30, 2016

5. Reconciliation of profit between Ind AS and previous GAAP

₹ lakh

Sl No.	Nature of adjustments	Note No.	Profit Reconciliation		
			Quarter ended 31-03-2016	Quarter ended 30-06-2015	Year ended 31-03-2016
	Net profit after tax as reported under previous GAAP		18,411	15,106	70,585
1	Impact due to recognition of lease rentals on straight line basis	ii	112	112	448
2	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	(22)	(29)	(16)
3	Impact due to recognition of revenue over the period in which services are rendered	iv	(9)	(3)	(40)
4	Tax adjustments		(45)	(41)	(172)
5	Employee benefits (after tax)	v	510	-	510
	Net profit under Ind AS (after tax)		18,957	15,145	71,315
	Other comprehensive Income (after tax)		(510)	-	(510)
	Total comprehensive income as reported under Ind AS		18,447	15,145	70,805

Notes:

- i. Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its standalone financial results:
 - a. Property, Plant and Equipment were carried in the statement of financial position prepared under previous GAAP as at March 31, 2015. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 1, 2015.
 - b. Under previous GAAP, investment in subsidiaries, joint venture and associate were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at March 31, 2015 as deemed cost at the date of transition.
- ii. Under previous GAAP, lease payments on all operating leases were recognised as an expense on a straight line basis over the lease term. Under Ind AS, lease payments under operating leases recognised on a straight line basis as expense only if the payments to lessor vary because of factors other than expected general inflation.
- iii. Under previous GAAP, employee loans were stated at the amount paid to the employees. Under Ind AS, employee loans are carried at fair value.

Under previous GAAP, leasehold land were recognised at cost in property, plant and equipment. Under Ind AS, leases of land are classified as operating leases and accordingly amortised over the period of lease.

Under previous GAAP, lease deposits were recognised as other assets. Under Ind AS, lease deposits are carried at fair value.
- iv. Under previous GAAP, revenue relating to EMG (Extended Maintenance Guarantee) and signing fees were recognised at the point of receipt / agreement respectively. Under Ind AS, EMG and signing fees is recognised in the accounting periods in which services are rendered.
- v. Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.
6. The unaudited standalone financial results of the Company for the quarter ended June 30, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on August 3, 2016.



For and on behalf of the Board of Directors

Bhaskar Bhat
BHASKAR BHAT
Managing Director

Hosur, 3 August 2016

