



10th August 2020

PRESS RELEASE

Covid 19 pandemic causes Titan Company Ltd to report a loss in Q1 FY 2020-21

The disruption caused by the Covid 19 pandemic in India affected the performance of Titan Company Ltd severely with retail outlets closed for a major part of the quarter, resulting in a decline in income of 62% for the first quarter of financial year 2020-21 with the total income declining to Rs.1,901 crores, against last year's income of Rs. 4,995 crores during the same period. Revenues included sale of bullion worth Rs. 601 crores done to reduce inventory given the low level of sales due to the disruptions in activity.

The lockdowns impacted the Company's operations significantly in the months of April and May 2020 as most stores were forced to shut down. While stores started opening in May, post Unlock 1.0, even as at end of June 2020, only 83% of all the stores opened and even for stores that opened, many of them were not operating for all days.

The recovery rate of revenue started improving slowly and as of June it was 21% for the Watches and Wearables division, 77% for the Jewellery division and 25% for the Eyewear division. Consumer sentiment was impacted severely due to the economic downturn, people being forced to remain indoors for extended periods of time as most people worked from home and the perceived risk of going out to public spaces. Further with most weddings in the quarter being postponed, demand for wedding jewellery was affected.

With the negative consumer sentiment prevailing in the quarter, discretionary spends were very low, and specifically impacted our Watches business and diamond studded jewellery in the Jewellery business. Plain gold jewellery sales, however, recovered better than expected in June despite high gold prices. However, the impact of the lockdown resulted in the jewellery division recording an income of Rs. 1,783 crores for the quarter as compared to Rs. 4,047 crores last year, a decline of 56%. The Watches business was impacted far more and recorded an income of Rs.75 crores against Rs.715 crores in the previous year, a decline of 90%. The Eyewear business also was impacted as severely as the Watch business with revenues declining by 80% in the quarter, recording an income of Rs.30 crores as against Rs.149 crores last year. Other segments of the Company comprising Indian dress wear and accessories recorded an income of Rs.4 crores compared to Rs.36 crores in the previous year, a decline of 89%.

Consequent to the decline in revenues, despite a company-wide cost reduction initiative and cuts in advertising spends given the low level of activity, the Standalone PBT for the quarter was a loss of Rs.335 crores, against a profit of Rs.523 crores in the previous year.

The Company's retail chain stands at 1,736 stores, as on 30th June 2020 with a retail area crossing 2.2 million sq.ft. nationally for all its brands.

Of the subsidiaries, Titan Engineering and Automation Ltd (TEAL) did well despite the pandemic with revenues of Rs 76 crores (decline of 19%) and Profit before tax of Rs. 7 crores (decline of 51%). CaratLane, being in the consumer discretionary space was hit by the pandemic and ended with a revenue of Rs 42 crores (decline of 68%) and a Net Loss of Rs. 19 crores for the quarter.

Titan Company Limited

'INTEGRITY' No.193, Veerasandra, Electronics City P.O Off Hosur Main Road, Bengaluru - 560 100 India, Tel : 91 80 - 67047000, Fax : 91 80 - 67046262
Registered Office No.3, SIPCOT Industrial Complex Hosur 635 126 TN India, Tel 91 4344 664 199, Fax 91 4344 276037, CIN: L74999TZ1984PLC001456

www.titancompany.in

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Mr. C K Venkataraman, Managing Director of the Company stated that “The severity of the disruption in business due to the pandemic impacted the Company’s performance resulting in an unprecedented loss for the company. The recovery in business, particularly in the jewellery business is encouraging and we expect to get back to normalcy by the fourth quarter of this year. The company’s reassessment of its cost structure during this period and inherently strong Balance Sheet, will help it to create a stronger base for a sustainably higher profit margin business.”

S. Subramaniam
Chief Financial Officer

Titan Company Limited

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TITAN COMPANY LIMITED

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

PART I

₹ in crores

Particulars	3 months ended			Year ended
	30-06-2020 (Unaudited)	31-03-2020 (Audited) ⁴	30-06-2019 (Unaudited)	31-03-2020 (Audited)
I. Revenue from operations				
- Sale of products/ services	1,251	4,370	4,885	19,733
- Other operating revenue (refer note 9)	611	59	54	277
II. Other income (refer note 6)	39	40	56	146
III. Total income (I +II)	1,901	4,469	4,995	20,156
IV. Expenses:				
Cost of materials and components consumed	655	2,881	3,054	12,489
Purchase of stock-in-trade	62	569	605	2,859
Changes in inventories of finished goods, stock-in-trade and work-in-progress	761	(352)	(45)	(836)
Employee benefits expense	222	244	245	1,040
Finance costs	46	38	30	149
Depreciation and amortisation expense	82	90	68	310
Advertising	16	76	134	477
Other expenses	392	407	381	1,563
IV. Total expenses	2,236	3,953	4,472	18,051
V. Profit/ (loss) before exceptional item and tax (III - IV)	(335)	516	523	2,105
VI. Exceptional item	-	-	-	-
VII. Profit/ (loss) before tax (V - VI)	(335)	516	523	2,105
VIII. Tax expense:				
Current tax	-	153	147	552
Deferred tax	(65)	6	5	36
VIII. Total tax	(65)	159	152	588
IX. Profit/ (loss) for the period (VII-VIII)	(270)	357	371	1,517
X. Other comprehensive income				
(i) Items that will not be reclassified to the statement of profit and loss				
- Remeasurement of employee defined benefit plan*	-	(2)	(6)	(69)
- Income-tax on (i) above*	-	1	2	18
(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	(196)	(152)	(111)	(255)
- income-tax on (ii) above	46	41	32	68
X. Total other comprehensive income	(150)	(112)	(83)	(238)
XI. Total comprehensive income (IX+X)	(420)	245	288	1,279
XII. Paid up equity share capital (face value ₹ 1 per share):	89	89	89	89
XIII. Other equity:				6,736
XIV. Earnings/ (loss) per equity share of ₹ 1: (based on net profit/ (loss) for the period (IX))				
Basic and diluted (not annualised)	(3.04)	4.01	4.18	17.09

* Items not presented due to rounding off to the nearest ₹ crore.

See accompanying notes to the standalone unaudited financial results

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Dharmatarajan



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

SEGMENT INFORMATION (Refer note 3)

₹ in crores

Particulars	3 months ended			Year ended
	30-06-2020 (Unaudited)	31-03-2020 (Audited) ⁴	30-06-2019 (Unaudited)	31-03-2020 (Audited)
Segment revenues and profit and loss				
a) Sales / Income from segments				
Watches	75	557	715	2,616
Jewellery (refer note 9)	1,783	3,754	4,047	16,738
Eyewear	30	108	149	544
Others	4	42	36	171
Corporate (unallocated)	9	8	48	87
Total	1,901	4,469	4,995	20,156
b) Profit / (Loss) from segments before finance costs and taxes				
Watches	(164)	72	128	365
Jewellery	(54)	534	442	2,061
Eyewear	(31)	2	(11)	(14)
Others	(18)	(21)	(19)	(58)
Corporate (unallocated)	(22)	(33)	13	(100)
	(289)	554	553	2,254
Finance costs	46	38	30	149
Profit/ (loss) before taxes	(335)	516	523	2,105
c) Segment assets and liabilities				
Segment assets				
Watches	2,050	2,143	1,817	2,143
Jewellery	7,268	8,225	7,096	8,225
Eyewear	475	495	501	495
Others	226	217	150	217
Corporate (unallocated)	3,175	2,108	3,742	2,108
Total	13,194	13,188	13,306	13,188
Segment liabilities				
Watches	668	775	720	775
Jewellery	4,549	4,450	5,738	4,450
Eyewear	212	234	255	234
Others	99	91	64	91
Corporate (unallocated)	1,260	814	160	814
Total	6,788	6,364	6,937	6,364

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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456 .

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

Notes:

- 1 The standalone 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 From the current quarter, the Company has decided to report its standalone financial results in ₹ crores in lieu of ₹ lakhs reported in earlier periods. Accordingly, comparative numbers which were reported in ₹ lakhs previously have been reflected in ₹ crores in this report.
- 3 The Company is structured into four verticals namely Watches and wearables, Jewellery, Eyewear and Others where "Others" include Accessories, Fragrances and Indian dress wear. Accordingly, the Company has presented its segment results under these business segments.
- 4 The figures for the quarter ended 31 March 2020 are a balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31 March 2020.
- 5 During the quarter ended 30 June 2020, the Company has recognised an amount of ₹ 65 crores as deferred tax asset (including an amount of ₹ 62 crores for the losses incurred) for the quarter ended 30 June 2020 as per the applicable accounting standard specified in section 133 of the Companies Act, 2013 read with relevant rules framed thereunder.
- 6 During the quarter ended 30 June 2020, the Company has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions in accordance with the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Company has elected to apply the practical expedient available and the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard. Accordingly, the Company has recognised ₹ 23 crores in the statement of profit and loss for the quarter ended 30 June 2020.
- 7 During the quarter, the Company has issued ₹ 1,000 crores of commercial papers with a tenure of 3 months. Out of these ₹ 500 crores was matured and redeemed on 30 July 2020 and the balance ₹ 500 crores is due for maturity on 18 August 2020. As per the requirement of SEBI Circular dated October 22, 2019 and subsequent amendments thereof, the Company has listed its commercial papers on the National Stock Exchange (NSE) with effect from date of placement.
- 8 Further to declaration of COVID 19 as a pandemic by the World Health Organisation in March 2020 and the nationwide lockdown announced by the Government of India on 24 March 2020, the operations of the Company were severely disrupted resulting in significant loss of revenue as retail operations were closed in April. The Company had resumed its operations across the country from the first week of May in a phased manner once the Government of India had progressively relaxed the lockdown. The Company continues to consider the possible effects that may result from the pandemic relating to COVID-19 on the financial results of the Company. The Company has performed a detailed analysis on the various assumptions used and based on current estimates expects that the carrying amount of its assets will be recovered. As on date, the Company has re-opened a significant part of its stores across all its businesses.
- 9 During the quarter, the Company sold gold-ingots aggregating ₹ 601 crores to various customers dealing in bullion, which is disclosed as other operating revenues.
- 10 The statutory auditors have carried out limited review of the standalone unaudited financial results for the quarter ended 30 June 2020 and have issued an unmodified review report.
- 11 The standalone unaudited financial results of the Company for the quarter ended 30 June 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 10 August 2020.

for and on behalf of the Board of Directors

CK Venkataraman
Managing Director

Place: Bengaluru
Date: 10 August 2020





TITAN COMPANY LIMITED

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3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

PART I

₹ in crores

Particulars	3 months ended			Year ended
	30-06-2020 (Unaudited)	31-03-2020 (Audited) ⁷	30-06-2019 (Unaudited)	31-03-2020 (Audited)
I. Revenue from operations				
- Sale of products/ services	1,368	4,617	5,095	20,768
- Other operating revenues (refer note 11)	611	94	56	284
II. Other income (refer note 9)	41	42	57	153
III. Total income (I +II)	2,020	4,753	5,208	21,205
IV. Expenses:				
Cost of materials and components consumed	712	3,013	3,159	13,042
Purchase of stock-in-trade	67	597	653	2,991
Changes in inventories of finished goods, stock-in-trade and work-in-progress	766	(332)	(72)	(878)
Employee benefits expense	260	285	283	1,199
Finance costs	52	43	34	166
Depreciation and amortisation expense	93	102	76	348
Advertising	21	97	151	560
Other expenses	406	439	403	1,671
IV. Total expenses	2,377	4,244	4,687	19,099
V. Profit/ (loss) before share of profit/ (loss) of an associate and a joint venture and exceptional item and tax (III - IV)	(357)	509	521	2,106
VI. Share of profit/ (loss) of:				
- Associate*	-	-	-	1
- Joint Venture*	(4)	-	(1)	(5)
VII. Profit/ (loss) before exceptional item and tax (V - VI)	(361)	509	520	2,102
VIII. Exceptional item	-	-	-	-
IX. Profit/ (loss) before tax (VII - VIII)	(361)	509	520	2,102
X. Tax expense:				
Current tax	1	159	151	570
Deferred tax	(65)	7	5	39
X. Total tax	(64)	166	156	609
XI. Profit/ (loss) for the year (IX-X)	(297)	343	364	1,493
XII. Other comprehensive income				
(i) Items that will not be reclassified to the statement of profit and loss				
- Remeasurement of employee defined benefit plans*	-	(2)	(6)	(73)
- Income-tax on (i) above*	-	1	2	19
(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	(198)	(152)	(111)	(255)
- Exchange differences in translating the financial statements of foreign operations	1	3	1	7
- income-tax on (ii) above	46	41	32	68
XII. Total other comprehensive income	(151)	(109)	(82)	(234)
XIII. Total comprehensive income (XI+XII)	(448)	234	282	1,259
Profit/ (loss) for the period attributable to:				
- Owners of the Group	(291)	346	366	1,501
- Non-controlling interest	(6)	(3)	(2)	(8)
Other comprehensive income for the period attributable to:				
- Owners of the Group	(151)	(109)	(82)	(234)
- Non-controlling interest *	-	-	-	-
Total comprehensive income for the period attributable to:				
- Owners of the Group	(442)	237	284	1,267
- Non-controlling interest	(6)	(3)	(2)	(8)
	(448)	234	282	1,259
XIV. Paid up equity share capital (face value ₹ 1 per share):	89	89	89	89
XV. Other equity:				6,580
XVI. Earnings/ (Loss) per equity share of ₹ 1: (based on net profit/ (loss) for the period (XI); Basic and diluted (not annualised)	(3.28)	3.90	4.12	16.91

* Items not presented due to rounding off to the nearest ₹ crore.
See accompanying notes to the unaudited consolidated financial results





TITAN COMPANY LIMITED

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

SEGMENT INFORMATION (Refer note 6)

₹ in crores

Particulars	3 months ended			Year ended
	30-06-2020 (Unaudited)	31-03-2020 (Audited) ⁷	30-06-2019 (Unaudited)	31-03-2020 (Audited)
Segment revenues and profit and loss				
a) Sales / Income from segments				
Watches	76	558	716	2,622
Jewellery (refer note 11)	1,824	3,899	4,164	17,319
Eyewear	30	108	149	544
Others	81	181	131	635
Corporate (unallocated)	9	7	48	85
Total	2,020	4,753	5,208	21,205
b) Profit / (Loss) from segments before finance costs and taxes				
Watches	(173)	54	119	316
Jewellery	(68)	530	437	2,051
Eyewear	(31)	2	(11)	(14)
Others*	(12)	-	(4)	19
Corporate (unallocated)	(25)	(34)	13	(104)
Total	(309)	552	554	2,268
Finance costs	52	43	34	166
Profit/ (loss) before taxes including share from Associate and Joint Venture.	(361)	509	520	2,102
c) Segment assets and liabilities				
Segment assets				
Watches	2,116	2,218	1,882	2,218
Jewellery	7,994	8,904	7,714	8,904
Eyewear	475	495	501	495
Others	701	710	592	710
Corporate(Unallocated)	2,294	1,223	2,947	1,223
Total	13,580	13,550	13,636	13,550
Segment liabilities				
Watches	675	783	733	783
Jewellery	4,978	4,811	6,020	4,811
Eyewear	212	234	255	234
Others	228	242	206	242
Corporate(Unallocated)	1,260	807	160	807
Total	7,353	6,877	7,374	6,877

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TITAN COMPANY LIMITED

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

Notes:

- 1 Consolidated unaudited financial results for the quarter ended 30 June 2020 can be viewed on the website of the Company, National Stock Exchange of India Limited (NSE) and BSE Ltd. Information of unaudited standalone 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			Year ended
	30-06-2020 (Unaudited)	31-03-2020 (Audited) ⁷	30-06-2019 (Unaudited)	31-03-2020 (Audited)
Revenue from operations	1,862	4,429	4,939	20,010
Profit/ (loss) before tax	(335)	516	523	2,105
Net profit for the period (after tax)	(270)	357	371	1,517
Total comprehensive income	(420)	245	288	1,279

- 2 The consolidated 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 From the current quarter, the Company has decided to report its consolidated financial results in ₹ crores in lieu of ₹ lakhs reported in earlier periods. Accordingly, comparative numbers which were reported in ₹ lakhs previously have been reflected in ₹ crores in this report.

- 4 The consolidated financial results includes results of:

Subsidiaries

Caratlane Trading Private Limited (Formerly known as Carat Lane Trading Private Limited)

Titan Engineering & Automation Limited

Favre Leuba A G, Switzerland

Titan Holdings International FZCO (from 15 October 2019)

Titan Global Retail L.L.C (from 15 December 2019)

(Subsidiary of Titan Holdings International FZCO)

Titan Watch Company Limited, Hong Kong

(100% Subsidiary of Favre Leuba A G)

Jointly controlled entity

Montblanc India Retail Private Limited

Associate Company

Green Infra Wind Power Theni Limited

- 5 During the quarter, the Group has issued ₹ 1,150 crores of commercial papers with a tenure ranging from 3 to 6 months. Out of these, ₹ 500 crores was matured and redeemed on 30 July 2020 and ₹ 500 crores is due for maturity on 18 August 2020 for the Group. The balance amount of ₹ 150 crores relates to a subsidiary and is due for maturity on 12 August, 25 September and 8 December 2020 (₹50 crores on each maturity date). As per the requirement of SEBI Circular dated October 22, 2019 and subsequent amendments thereof, the Group has listed its commercial papers on the National Stock Exchange (NSE) and BSE Ltd. with effect from date of placement.

- 6 The Group is structured into four verticals namely Watches and Wearables, Jewellery, Eyewear and Others where "Others" include Aerospace & Defence, Automation Solutions, Accessories, Fragrances and Indian dress wear. Accordingly, the Group has presented its segment results under these business segments in the manner consistent with the internal reporting to the chief operating decision maker (CODM).

- 7 The figures for the quarter ended 31 March 2020 are a balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31 March 2020.

- 8 During the quarter ended 30 June 2020, the Group has recognised an amount of ₹ 65 crores as deferred tax asset (including an amount of ₹ 62 crores for the losses incurred) for the quarter ended 30 June 2020 as per the applicable accounting standard specified in section 133 of the Companies Act, 2013 read with relevant rules framed thereunder.

- 9 During the quarter ended 30 June 2020, the Group has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions in accordance with the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Group has elected to apply the practical expedient available and the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard. Accordingly, the Group has recognised ₹ 24 crores in the statement of profit and loss for the quarter ended 30 June 2020.

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TITAN COMPANY LIMITED

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- 10 Further to declaration of COVID 19 as a pandemic by the World Health Organisation in March 2020 and the nationwide lockdown announced by the Government of India on 24 March 2020, the operations of the Group were severely disrupted resulting in significant loss of revenue as retail operations were closed in April. The Group had resumed its operations across the country from the first week of May in a phased manner once the Government of India had progressively relaxed the lockdown. The Group continues to consider the possible effects that may result from the pandemic relating to COVID-19 on the financial results of the Group. The Group has performed a detailed analysis on the various assumptions used and based on current estimates expects that the carrying amount of its assets will be recovered. As on date, the Group has re-opened a significant part of its stores across all its businesses.
- 11 During the quarter, the Group sold gold-ingots aggregating ₹ 601 crores to various customers dealing in bullion, which is disclosed as other operating revenues.
- 12 The statutory auditors have carried out limited review of the unaudited financial results for the quarter ended 30 June 2020 and have issued an unmodified review report.
- 13 The Consolidated unaudited financial results of the Group for the quarter ended 30 June 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 10 August 2020.

Place: Bengaluru
Date: 10-Aug-2020

for and on behalf of the Board of Directors

C K Venkataraman
Managing Director

