# Deloitte **Haskins & Sells**

Chartered Accountants **Deloitte Centre** Anchorage II 100/2 Richmond Road Bengaluru - 560 025

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### INDEPENDENT AUDITOR'S REPORT 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 and six months ended September 30, 2015 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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 Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select information for the quarter and six months ended September 30, 2015 of the Statement, from the details furnished by the Management/ Registrars.

For DELOITTE HASKINS & SELLS

Chartered Accountants (Firm's Registration No.008072S)

> V. Srikumar Partner

(Membership No. 84494)

MUMBAI, October 30, 2015 VS/ MNB/ UB/ 2015



# TITAN COMPANY LIMITED

(formary known 4s TITAN INDUSTRIES LIMITED)

CIN: L/4/SSET21964PLC/CO/4/S

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 34 SEPTEMBER 2015

						Water .
	Quarter	Quarter	Quarter	Haff year	Haif year	Year
	30-09-2015	30-06-2015	30-08-2014	30-08-2015	30-9-2014	31-3-2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
PARTI						
Statement of Standalone Unauditod/Audited Results						
1 Income from operations	400	4000	647 446		440	200
(a) Net sales if income from operations ( Net of excise duty) (b) Other operating income	1,882	2,168	2,840	4,070	6.618	11,217
Total income from operations (Net)	267,348	270.859	359,307	538,207	648,451	1,190,321
2 Ехрепяев	200	744 664	5. 3.6	745	202 200	200 000
(a) Location all alternation of a second control of the Peterbase of alternation	17.628	29.771	29.397	47,399	60,192	112.394
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	(25,005)	26,402	(4,420)	1,397	(336)	(20,432)
(d) Employee benefits expense	17,999	17.561	16,393	35,560	31,012	62,565
(e) Advertising	8,952	12,884	10,583	21,836	20 508	38.213
(f) Depreciation and emodisation expense (g) Other expenses	22,382	25,372	27,856	47,754	46,134	98,848
Total expenses	249,468	250,869	327,968	500,337	592,128	1,083,724
3 Profit from operations before other income and finance costs	17,880	19,990	31,319	37,870	56,323	106,597
4 Other income	1,140	1,554	1,780	2,694	4,320	7,058
5 Profit before finance costs	19,020	21,544	33,059	40,564	60,643	113,655
6 Finance costs	571	1,183	1,088	2,054	4,585	B,066
7 Profit before taxes	18,149	20,361	32,011	38,510	950,058	105,589
8 Tax expense						
- Ourent - Deferred	3,942	5,330	7,962	9,242	(242)	24,100
9 Profit after baxes	14,539	15,106	23,998	29,645	41,725	82,307
10 Paid-up equity shars capital (face value: ₹1 per share)	8,678	8,678	8,878	8,878	8,578	8,878
11 Reserves excluding revaluation reserves as per balance sheet of previous accounting year						300,323
12. Basic and diuded serrings per equity share (?) (Hor annualised)	1.64	1.70	2.70	3.34	4.70	9.27
					1	-



See accompanying note to the financial results



# TITAN COMPANY LIMITED

(formerly known as TITAN INDUSTRIES LIMITED)

CIN 174596721894PLC001459

3. SIPCOT INDUSTRIAL COMPLEX HOSUR 625 128

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

					F lakhs
Ouar				Half year	Year
end				Pended	ended
30-09-2015	15 30-36-2015	30-08-2014	30-09-2015	30-9-2014	31-3-2015
(Unaudit				(Unaudited)	(Audited)

PART II

Select information for the quarter and six months ended 30 September 2015

A PARTICULARS OF SHAREHOLDING

2000	P	group sharsholding	46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 46.9%	416,778,240 416,778,240 416,778,240 416,778,240 416,778,240	416,776,240 46 9% 471 007 520 100 0%	416,778,240 46 9% 2,559,589 0,5% 0.3% 488,448,331 99 6%	416,778,240 46.9% 46.9% 471,007,920	416,778,240 46.9% 2,558,589 0,5% 0.5% 0.5% 0.5% 9.8% 468,333 96.5%	46.9% 46.9% 6.9% 71,007,823	416,778.240 46.3% 471,007,520 100.0%	1 Public Strateholdsing  - Number of shares  - Percentage for strateholding  - Number of shares  - Percentage for strateholding  - Promoters and Princeter group shareholding  - In of shares (as a % of the total shareholding of promoter and promoter group)  - In of shares (as a % of the total shareholding of promoter and promoter group)  - In Order company)  - In of shares (as a % of the total shareholding of promoter and cromoter group)  - Sh of shares (as a % of the total shareholding of promoter group)
2000	2,556,589 2,559 (2.559) (2.559	the load shareholding of promoter and promoter group) the (cast share criptes of the Company)	ing of promoter and promoter group) sea of the Company)	46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 47.1007.920 428,446.331 471,007.920 428,446.331 428,446.331 471,007.920 428,446.331 471,007.920 428,446.331 471,00	\$0.003	% B B B	100.0%	995%	100.0%	100.0%	% of shares (as a % of the total shareholding of promoter and promoter group)
100 040 100 000 100 000 100 000 100 000 100 1	nomoter group)	the total snaueholding of promoder and promoder group) the total snare criptes of the Company)	ing of sromoter and promoter group) year of the Company	46.9% 46.9%	471 007 920	458,448,331	471,007,920	468,448,331	471,007,923	471,007,920	
471,007,920 471,007,920 468,448,331 471,007,920 468,448,331 471,00 400,04 100,04 100,04 00,50 100,00	. 2,555 569 2,559 7,559	2,559 (2.59 promoder and promoder group)	2,558,589 . 2,559 read promoter group) . 0.5% . 0.5	46.9% 46.9%							
471,007,920 479,007,920 468,448,331 471,007,920 468,448,331 471.00 40,646 40,646 40,646,431 471,007,920 468,448,331 471.00	2,559,569 . 2,556	2,559 569 . 2,559 . 2,559 . 2,559	2,559 589 2,559 7.00 of promoter and promoter group)	46.9% 46.9% 46.9% 46.9% 46.9% 46.9% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5	٠	0.3%		03%	,		of the total share captal of the Company)
0.3% 0.3% 471,007,520 458,446,331 471,007,520 458,446,331 471 00 50.5.		2,558,569	2,539,569	46.9% 46.9%	*	250		0.5%	•		of the total snareholding of promoter and promoter group)
0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5%		P	e group shareholding	46.9% 46.9% 46.9% 46.9% 46.9% 66.9%		2,559,589		2,559,589	×	•,	

Particulars	Quarter ended 30-09-2015
B INVESTOR COMPLAINTS	
Pending at the begunding of the quarter	•
Received during the quarter	13
Disposed of duning the quarter	90
Remaining unresolved at the end of the quarter	9

Net sales / Income from segments						
Watches	54,649	48,454	52,347	103,103	96.763	192,104
Jewellery	198,173	207,263	282,936	405,375	525,465	942,997
Eyewear	8,845	10,677	7.671	19,523	16,592	33,225
Others	5,862	4,685	6,518	10,547	6,959	23,206
Corporate(Unallocated)	958	1,394	1,613	2,352	3,992	5,847
Total	256,488	272,413	361,087	540,901	852,771	1,197,379
Profit / (Loss) from segments before intenest and taxes						
and after share of tosses of associate						
Watches	6,377	4,813	7,015	13,190	11,499	20,648
Jewollery	11,912	18,027	26,816	29,939	48,594	94,419
Еуемеаг	409	195	25	604	1,389	2,483
Others	(569)	(1,069)	(298)	(1,638)	(1,258)	(2,492
Total	20,129	21,968	83,559	42,095	60,204	115,068
Less Finance costs	871	1,183	1,068	2,054	4,585	8.068
Unallocable expenditure hel of unallocable income	1,109	422	460	1,531	(439)	1,413
Profit before taxes	16,149	20,361	32,011	38,510	55,058	105,589
Capital Employed						
Walches	84,014	69.772	67,817	84,014	87,817	67,093
Jewillery	211,466	173,783	248.844	211,466	248.844	182,107
Eyewbar	1,651	7,276	6,903	7,651	5,903	8,551
Others	16,280	18,678	16,469	18,280	16,469	18,408
Copposite(Unasiocated)	49,809	62,163	47.874	49,809	47 B74	31,054
Total	371.220	331.672	387.907	371 220	387 907	847 349



SELLS

CHARTERED OF ACCOUNTAINS



(formerly known as TITAN INDUSTRIES LIMITED)

CIN: L74999TZ1934PLC001456

3. SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

Notes:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES

₹ lakhs

	Dartimlare		As at	Asat
	COMMONIA	1	20-2-6-00	21-2-5-15
_			(Unaudited)	(Audited)
-	A EQUITY AND LIABILITIES			
Ann	Shareholders' Funds			
	(a) Share Capital		8,878	8.878
-	(b) Reserves and Surplus		328,502	300,323
	Sub-total - Shareholders' funds	holders' funds	337,380	309,201
ni	2 Non-Current Liabilities			
-	Long-term provisions		10,221	8,745
-	Sub-total - Non-current liabilities	rent liabilities	10,221	8,745
175	3 Current Liabilities			
	(a) Short-term borrowings		36,184	8,979
	(b) Trade payables		156,708	193,931
	(c) Other current liabilities		65,780	30,895
	(d) Short-term provisions		7,986	34,473
	Sub-total - C	Sub-total - Current liabilities	266,658	269,278
	TOTAL - EQUITY AND LIABILITIES	D LIABILITIES	614,259	587,224
m	B ASSETS			
*	1 Non-current assets			
	(a) Fixed assets		78,728	73,816
	(b) Non-current investments		5,367	3,263
	(c) Deferred tax asset ( net)		2,344	1,967
	(d) Long-term keans and advances		28,532	24,283
	Sub-total - No	Sub-total - Non-current assets	114,971	103,329
CI	2 Current assets			
	(a) Inventories		421,175	404,743
	(b) Trade receivables		20,349	18,735
	(c) Cash and cash equivalents		19,778	21,020
	(d) Short-term loans and advances		37,772	38,961
	(e) Other current assets		214	436
	Sub-total	Sub-total - Current assets	499,288	483,895
	4	4000	0.00	100.00
		IOIAL - ASSETS	614,259	587,224







(formerly known as TITAN INDUSTRIES LIMITED)
CIN: L749891Z1984PLC001456
3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.
UNALDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

- The Company's primary segments consist of Watches, Jewellery. Eyewear and Others. where 'Others' include Precision Engineering. Machine Building. Clocks and Accessones.
- 3 The figures of the previous period have been regrouped/recast, where necessary
- 4 The financial results were reviewed by the Board Audit Committee and were approved by the Board of Directors at their meeting on 30 October 2015.
- 5 The Auditors have carried out a limited review of the financial results for the period ended on 30 Saptember 2015, as required by the Listing Agreement.

For and on behalf of the Board of Directors

BHASKAR BHÁI Managing Director

Bangalore, 30 October 2015





30th October 2015

### PRESS RELEASE

## Titan Company Ltd reports a decline of 25% in Q2 income.

Titan Company Ltd announced a decline of 25% in net income in the second quarter over last year. The income from operations in the second quarter, July to September 2015, was Rs.2654 crores, against last year's income of Rs.3564 crores during the same period. The income for April to September 2015, the first half of this financial year, stands at Rs.5341 crores, registering a decline of 16.8% over last year.

The net profit for Q2 is Rs.145.39 crores, against Rs.239.98 crores last year. The net profit for the six months ended September 2015 is Rs.296.45 crores, a decline of 29% over last year. The profit before tax is Rs.181.49 crores for Q2 and Rs.385.10 crores for the first half.

The retail sentiment has been extremely poor in this quarter and the Watches division, backed by activations for both Titan and Fastrack brands grew in income by 4.4%. A new sub-brand "SF" by Sonata was launched during the quarter, in the adventure sports segment. The income for watches was Rs.546 crores in Q2 as compared to Rs.523 crores last year. The jewellery business recorded an income of Rs.1981 crores this year in Q2 as compared to Rs.2929 crores last year. The sharp drop is largely due to the premature redemption of the Golden Harvest scheme that the Company had to do in the previous year in view of the changes to the Companies Act 2013 that brought such schemes under the ambit of public deposits. It may be noted that these redemptions contributed to 54% of the revenue this quarter last year. The Eyewear business grew by 15.3% in the quarter, recording an income of Rs.88 crores as against Rs.76 crores last year. Other businesses of the Company comprising Precision Engineering, a B2B business and accessories declined by 10% in Q2. The combined income of these businesses was Rs.58 crores in Q2. Their last year income for Q2 was Rs.65 crores.

The Titan Company retail chain is 1246 stores strong, as on 30th September 2015 with a retail area crossing 1.65 million sq.ft. nationally for all its brands

Mr. Bhaskar Bhat, Managing Director of the Company stated that "This was an extremely challenging quarter for the company and we witnessed an income decline of 25%. While our watches business witnessed a growth of low single digit at 4.4% the jewellery business had a difficult quarter with a decline over last year. The industry saw a tough period with gold imports declining significantly. The decline in jewellery sales was also on account of discontinuation of our Golden Harvest Scheme. The Eyewear business continues to register double digit growth. All our brands are working on new product and marketing campaigns for the festive season ahead."

S. Ravi Kant

Executive Vice President

(Corporate Communications)