

**TITAN COMPANY LIMITED**

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2013

	₹ lakhs					
	Quarter ended 31-12-2013 (Unaudited)	Quarter ended 30-09-2013 (Unaudited)	Quarter ended 31-12-2012 (Unaudited)	Nine months ended 31-12-2013 (Unaudited)	Nine months ended 31-12-2012 (Unaudited)	Year ended 31-3-2013 (Audited)
<b>PART I</b>						
<b>Statement of Standalone Unaudited/Audited Results</b>						
<b>1 Income from operations</b>						
(a) Net sales / Income from operations (Net of excise duty)	265,046	229,002	298,289	802,827	741,592	1,000,905
(b) Other operating income	2,531	3,895	3,491	8,414	8,351	10,362
<b>Total Income from operations (Net)</b>	<b>267,577</b>	<b>232,897</b>	<b>301,780</b>	<b>811,241</b>	<b>749,943</b>	<b>1,011,267</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	116,504	195,788	187,600	491,248	508,345	677,292
(b) Purchase of stock-in-trade	39,616	47,693	38,610	135,782	117,122	155,509
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	40,992	(83,502)	5,863	(27,818)	(67,467)	(81,289)
(d) Employee benefits expense	13,858	13,458	11,691	40,373	33,589	48,452
(e) Advertising	11,804	9,435	10,876	31,706	31,046	37,709
(f) Depreciation and amortisation expense	1,565	1,490	1,419	4,516	3,954	5,449
(g) Other expenses	20,283	23,852	18,865	64,764	52,797	72,530
<b>Total expenditure</b>	<b>244,622</b>	<b>208,214</b>	<b>274,924</b>	<b>740,571</b>	<b>679,485</b>	<b>915,653</b>
<b>3 Profit from operations before other income and finance costs</b>	<b>22,955</b>	<b>24,683</b>	<b>26,856</b>	<b>70,670</b>	<b>70,458</b>	<b>95,614</b>
4 Other income	2,607	3,038	2,220	9,469	7,126	10,077
5 Profit before finance costs	25,562	27,721	29,076	80,139	77,584	105,691
6 Finance Costs	2,739	1,995	1,169	6,437	3,643	5,064
7 Profit before taxes	22,823	25,726	27,907	73,702	73,941	100,627
8 Tax expense						
- Current	6,391	7,203	7,669	20,637	20,327	28,535
- Deferred	(125)	(142)	(154)	(405)	(407)	(426)
9 Profit after taxes	16,557	18,665	20,392	53,470	54,021	72,518
10 Paid-up equity share capital (face value: ₹ 1 per share)	8,878	8,878	8,878	8,878	8,878	8,878
11 Reserves excluding revaluation reserves as per balance sheet of previous accounting year						187,609
12 Basic and diluted earnings per equity share (₹) (Not annualised) See accompanying note to the financial results	1.86	2.10	2.30	6.02	6.08	8.17
<b>PART II</b>						
<b>Select information for the quarter and nine months ended 31 December 2013</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public shareholding						
- Number of shares	416,778,240	416,778,240	416,778,240	416,778,240	416,778,240	416,778,240
- Percentage of shareholding	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%
2 Promoters and Promoter group shareholding						
a) Pledged / Encumbered						
- Number of shares	2,559,589	2,559,589	-	2,559,589	-	2,559,589
- % of shares (as a % of the total shareholding of the group)	0.5%	0.5%	-	0.5%	-	0.5%
- % of shares (as a % of the total share capital of the Company)	0.3%	0.3%	-	0.3%	-	0.3%
b) Non-encumbered						
- Number of shares	468,448,331	468,448,331	471,007,920	468,448,331	471,007,920	468,448,331
- % of shares (as a % of the total shareholding of the group)	99.5%	99.5%	100.0%	99.5%	100.0%	99.5%
- % of shares (as a % of the total share capital of the Company)	52.8%	52.8%	53.1%	52.8%	53.1%	52.8%





# TITAN COMPANY LIMITED

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 636 126.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2013

Particulars	₹ lakhs					
	Quarter ended 31-12-2013 (Unaudited)	Quarter ended 30-09-2013 (Unaudited)	Quarter ended 31-12-2012 (Unaudited)	Nine months ended 31-12-2013 (Unaudited)	Nine months ended 31-12-2012 (Unaudited)	Year ended 31-3-2013 (Audited)
<b>B INVESTOR COMPLAINTS</b>						
Pending at the beginning of the quarter	-	-	-	-	-	-
Received during the quarter	4					
Disposed of during the quarter	3					
Remaining unresolved at the end of the quarter	1					
<b>Segment Results</b>						
Net sales / Income from segments						
Watches	45,548	44,236	42,353	129,949	125,600	167,587
Jewellery	212,667	179,807	251,524	653,890	601,471	810,799
Others	11,652	11,407	9,826	35,380	28,525	41,403
Corporate(Unallocated)	317	485	297	1,491	1,473	1,555
<b>Total</b>	<b>270,184</b>	<b>235,935</b>	<b>304,000</b>	<b>820,710</b>	<b>757,069</b>	<b>1,021,344</b>
Profit / (Loss) from segments before interest and taxes						
Watches	5,130	4,643	5,115	13,915	15,623	20,185
Jewellery	21,890	24,089	24,657	68,838	64,212	89,085
Others	(168)	(25)	170	87	(427)	(313)
<b>Total</b>	<b>26,652</b>	<b>28,707</b>	<b>29,942</b>	<b>82,840</b>	<b>79,408</b>	<b>108,957</b>
Less : Interest	2,739	1,995	1,169	6,437	3,643	5,064
Unallocable expenditure net of unallocable income	1,090	986	866	2,701	1,824	3,266
<b>Profit before taxes</b>	<b>22,823</b>	<b>25,726</b>	<b>27,907</b>	<b>73,702</b>	<b>73,941</b>	<b>100,627</b>
Capital Employed						
Watches	72,995	72,786	63,586	72,995	63,586	67,056
Jewellery	115,614	115,145	91,770	115,614	91,770	96,750
Others	21,542	18,618	17,314	21,542	17,314	16,903
Corporate (Unallocated)	42,846	25,873	27,342	42,846	27,342	15,578
<b>Total</b>	<b>252,997</b>	<b>232,422</b>	<b>200,012</b>	<b>252,997</b>	<b>200,012</b>	<b>196,287</b>

1 The name of the Company was changed from Titan Industries Limited to Titan Company Limited with effect from 1 August 2013.

2 The Company's primary segments consist of Watches, Jewellery and Others, where the 'Others' include Eye wear, Precision Engineering, Machine Building, Clocks and Accessories. Capital employed in segments include all operating assets and liabilities. Segment results include all related income and expenditure.

3 The figures of the previous period have been regrouped/recast, where necessary.

4 Pursuant to the Scheme of Amalgamation of Titan Properties Limited (wholly owned subsidiary of the Company) with the Company as sanctioned by the High Court of Chennai, and which came into effect on 26 February 2013, all assets and liabilities have been transferred to and vested in the Company from the appointed date 1 April 2011. Accordingly, the figures reported for quarter ended 31 December 2012 and nine months ended 31 December 2012 have been appropriately recast to give effect to the Scheme of Amalgamation and to incorporate therein the profitability of the merged entity for the period.

5 The financial results were reviewed by the Board Audit Committee and were approved by the Board of Directors at their meeting on 29 January 2014.

6 The Auditors have carried out a limited review of the financial results for the period ended on 31 December 2013, as required by the Listing Agreement.

For and on behalf of the Board of Directors

  
BHASKAR BHAT  
Managing Director

Bangalore, 29 January 2014



**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
TITAN COMPANY LIMITED (FORMERLY KNOWN AS TITAN INDUSTRIES LIMITED)**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **TITAN COMPANY LIMITED** (formerly known as Titan Industries Limited) ("the Company") for the quarter and nine months ended 31 December 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreement 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 notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, 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 nine months ended 31 December 2013 of the Statement, from the details furnished by the Management/Registrars.

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



**V. Srikumar**  
Partner  
(Membership No. 84494)

**BANGALORE**, January 29, 2014  
VS/ MNB/ UB/ 2014





29<sup>th</sup> January 2014

PRESS RELEASE

**Titan Company Ltd.: registered a decline in income of 11.1% in Q3**

Titan Company reported a decline of 11.1% in income in Q3 over same period last year and an income growth of 8.3% for the nine month period ended December 2013. The overall income in the third quarter, October to December 2013, was Rs.2650.46 crore, as compared to last year's income of Rs.2982.89 crore during the same period. The income for April to December 2013, the nine-month period, stands at Rs.8028.27 crore, registering a growth of 8.3% over last year.

The profit before tax for the nine-month period ending December 2013 showed a marginal decline of 0.3%, at Rs.737.02 crore. Profit before tax for Q3, October to December 2013, was Rs.228.23 crore. The net profit for the same period was Rs.165.57 crore and Rs.534.70 crore for the nine-months ended December 2013.

The overall trend in sales over the last 3 quarters has been similar across all brands and channels with Q3 registering the lowest growth this year due to a poor festive season. The income from watches was Rs.455.48 crore in Q3, a growth of 7.5%. On the other hand, jewellery business recorded a decline of 15.4% in Q3 over last year primarily due to a lower demand for gold Jewellery. The first quarter had seen a surge in demand due to lower gold prices. The jewellery industry was also adversely impacted by the regulatory measures implemented to restrict gold imports. It had an income of Rs.2126.67 crore this year in Q3 as compared to Rs.2515.24 crore last year. For the nine-month ended December 2013, the jewellery business recorded a growth of 8.7%. Other businesses of the Company comprising Precision Engineering, a B2B business, the Eyewear business and accessories grew by 18.6% in Q3. The combined income of these businesses in Q3 was Rs.116.52 crore as compared to Rs.98.26 crore last year.

The Titan Company retail chain is 1039 stores strong, as on 31<sup>st</sup> December 2013 with the retail area crossing 14 lac sq.ft. nationally for all its brands.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The sentiments in the market continue to be weak and the company witnessed an extremely poor retail-sales quarter for both its watches and jewellery businesses. The impact of festive season this quarter was much below our expectations. Although the stock market has picked up, the high inflation levels have resulted in lower disposable income in the hands of consumers. In the last quarter of this financial year we have planned aggressive sales promotions for both watches and jewellery to stimulate demand and generate consumer interest in these categories. We will continue to make adequate investments in mass communication and build our brands."

S. Ravi Kant  
Executive Vice President

(Corporate Communications)