



TITAN COMPANY LIMITED

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2013

	₹ lakhs					
	Quarter ended 30-09-2013 (Unaudited)	Quarter ended 30-06-2013 (Unaudited)	Quarter ended 30-09-2012 (Unaudited)	Half year ended 30-09-2013 (Unaudited)	Half year ended 30-9-2012 (Unaudited)	Year ended 31-3-2013 (Audited)
PART I						
Statement of Standalone Unaudited/Audited Results						
1 Income from operations						
(a) Net sales / Income from operations (Net of excise duty)	229,002	308,779	225,829	537,781	443,303	1,000,905
(b) Other operating income	3,895	1,988	1,769	5,883	4,860	10,362
Total Income from operations (Net)	232,897	310,767	227,598	543,664	448,163	1,011,267
2 Expenses						
(a) Cost of materials consumed	195,788	178,956	173,426	374,744	320,745	677,292
(b) Purchase of stock-in-trade	47,693	48,473	40,197	96,166	78,512	155,509
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	(83,502)	14,692	(50,198)	(68,810)	(73,330)	(81,288)
(d) Employee benefits expense	13,458	13,057	11,605	26,515	21,997	48,452
(e) Advertising	9,435	10,467	9,826	19,902	20,170	37,709
(f) Depreciation and amortisation expense	1,490	1,461	1,303	2,951	2,535	5,449
(g) Other expenses	23,852	20,629	17,801	44,481	33,932	72,530
Total expenses	208,214	267,735	203,960	495,949	404,561	915,653
3 Profit from operations before other income and finance costs	24,683	23,032	23,638	47,715	43,602	95,614
4 Other income	3,038	3,824	2,385	6,862	4,906	10,077
5 Profit before finance costs	27,721	26,856	26,023	54,577	48,508	105,691
6 Finance costs	1,995	1,703	1,214	3,698	2,474	5,064
7 Profit before taxes	25,726	25,153	24,809	50,879	46,034	100,627
8 Tax expense						
- Current	7,203	7,043	6,928	14,246	12,658	28,535
- Deferred	(142)	(138)	(136)	(280)	(253)	(426)
9 Profit after taxes	18,665	18,248	18,017	36,913	33,629	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)	2.10	2.06	2.03	4.16	3.79	8.17

See accompanying note to the financial results





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	₹ lakhs					
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PART II

Select information for the quarter and six months ended 30 September, 2013

A PARTICULARS OF SHAREHOLDING

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 promoter and promoter 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 promoter and promoter 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%

Particulars	Quarter ended 30-09-2013
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	2
Received during the quarter	2
Disposed of during the quarter	4
Remaining unresolved at the end of the quarter	-

Segment Results

Net sales / Income from segments

Watches	44,236	40,165	47,179	84,401	83,248	167,587
Jewellery	179,807	261,416	172,393	441,223	349,946	810,799
Others	11,407	12,321	9,737	23,728	18,899	41,403
Corporate(Unallocated)	485	689	874	1,174	1,176	1,555
Total	235,935	314,591	229,983	550,526	453,069	1,021,344

Profit / (Loss) from segments before interest and taxes

Watches	4,643	4,142	5,467	8,785	10,508	20,185
Jewellery	24,089	23,059	21,500	47,148	39,555	89,085
Others	(25)	280	(433)	255	(597)	(313)
Total	28,707	27,481	26,534	56,188	49,466	108,957

Less : Finance costs

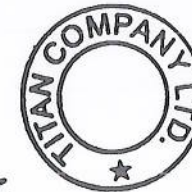
Unallocable expenditure net of unallocable income	1,995	1,703	1,214	3,698	2,474	5,064
	986	625	511	1,611	958	3,268
Total	25,726	25,153	24,809	50,879	46,034	100,627

Profit before taxes

Capital Employed	72,786	69,906	59,599	72,786	59,599	67,056
Watches	115,145	104,601	83,940	115,145	83,940	96,750
Jewellery	18,618	18,224	17,434	18,618	17,434	16,903
Others	25,873	21,916	17,505	25,873	17,505	15,578
Corporate(Unallocated)	232,422	214,647	178,478	232,422	178,478	196,287
Total	232,422	214,647	178,478	232,422	178,478	196,287



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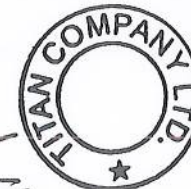
Notes :

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	₹ lakhs	
	As at 30-9-2013	As at 31-3-2013
	(Unaudited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	8,878	8,878
(b) Reserves and Surplus	224,280	187,609
Sub-total - Shareholders' funds	233,158	196,487
2 Non-Current Liabilities		
Long-term provisions	7,275	6,290
Sub-total - Non-current liabilities	7,275	6,290
3 Current Liabilities		
(a) Short-term borrowings	60,691	-
(b) Trade payables	200,542	209,726
(c) Other current liabilities	159,940	145,658
(d) Short-term provisions	7,694	29,318
Sub-total - Current liabilities	428,867	384,702
TOTAL - EQUITY AND LIABILITIES	669,300	587,479
B ASSETS		
1 Non-current assets		
(a) Fixed assets	51,989	49,030
(b) Non-current investments	2,582	1,851
(c) Deferred tax asset (net)	1,084	804
(d) Long-term loans and advances	21,730	18,441
Sub-total - Non-current assets	77,385	70,126
2 Current assets		
(a) Inventories	449,468	367,794
(b) Trade receivables	15,728	16,379
(c) Cash and cash equivalents	83,789	113,655
(d) Short-term loans and advances	41,766	18,573
(e) Other current assets	1,164	952
Sub-total - Current assets	591,915	517,353
TOTAL - ASSETS	669,300	587,479



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- 2 The name of the Company was changed from Titan Industries Limited to Titan Company Limited with effect from 1 August 2013.
- 3 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.
- 4 The figures of the previous period have been regrouped/recast, where necessary.
- 5 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 30 September 2012 and half year ended 30 September 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.
- 6 The financial results were reviewed by the Board Audit Committee and were approved by the Board of Directors at their meeting on 31 October 2013.
- 7 The Auditors have carried out a limited review of the financial results for the period ended on 30 September 2013, as required by the Listing Agreement.

Bangalore, 31 October 2013



For and on behalf of the Board of Directors


BHASKAR BHAT
Managing Director



**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 six months ended 30 September 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 six months ended 30 September, 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, October 31, 2013
VS/ MNB/ UB/ 2013



31st October 2013

PRESS RELEASE

Titan Company Ltd.: Profit before tax for H1 crosses Rs.500cr.

Titan Company Ltd announced a growth of 3.6% in net profit in a challenging quarter. The income from operations in the second quarter, July to September 2013, was Rs.2290.02 crore, a growth of 1.4% over last year's income of Rs.2258.29 crore during the same period. The income for April to September 2013, the first half of this financial year, stands at Rs.5377.81 crore, registering a healthy growth of 21.3% over last year.

The net profit for Q2 is Rs.186.65 crore, up from Rs.180.17 crore last year – a growth of 3.7%. The net profit for the six months ended September 2013 is Rs.369.13 crore, up 9.8% over last year. The profit before tax is Rs.257.26 crore for Q2 and Rs.508.79 crore for the first half. The Watch and Eyewear businesses of the company, with a decent import content, continued to be affected by input cost increases and adverse currency movements. Despite the import cost challenge, the margins were well managed.

The income for watches was Rs.442.36 crore in Q2 as compared to Rs.471.79 crore last year. On the other hand, jewellery business recorded an income growth of 4.3% in Q2 over last year. It had an income of Rs.1798.07 crore this year in Q2 as compared to Rs.1723.93 crore last year. Other businesses of the Company comprising Precision Engineering, a B2B business, the Eyewear business and accessories grew by 17.2% in Q2. The combined income of these businesses was Rs.114.07 crore in Q2. Their last year income for Q2 was Rs.97.37 crore.

The Titan Company retail chain is 1002 stores strong, as on 30th September 2013 with a retail area crossing 13.6 lac sq.ft. nationally for all its brands.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "This was a challenging quarter on account of weak consumer sentiments, particularly for discretionary purchase categories like Watches and Jewellery. The continued inflation and the weak rupee are affecting demand as well as costs and interest rates that continue to be at high levels. Regulatory issues on gold created a high demand supply gap in the market. The first half numbers for Titan Company look healthy on the back of a good first quarter. Given the good monsoon across the country and a likely change in consumer sentiment driven by stock market movement, we are hopeful of a good second half."

S. Ravi Kant
Executive Vice President
(Corporate Communications)