



10<sup>th</sup> February 2021

PRESS RELEASE

**Titan Company Ltd back to growth territory in Q3 FY 2020-21**

Titan Company reported a return to year on year growth in Sales in Q3 of FY 2020-21 led by an impressive festive season recovery in the Jewellery division. The total income for the quarter was Rs. 7,324 crores, including sale of gold bullion to the extent of Rs. 340 crores, compared to the income of Rs. 6,226 crores for the same quarter in the previous year. The growth in total income excluding bullion sale was 12%.

The total income for the nine months ending December 2020 was Rs. 13,614 crores (including bullion sale of Rs. 1,332 crores), against the income of Rs. 15,687 crores in the corresponding period last year. The decline without considering the bullion sale was 22% compared to the previous year.

While the Jewellery business grew by 16% (excluding gold bullion sales) over the corresponding quarter of the previous year, the Watches and Wearables and Eyewear divisions also did well with the recovery rate for the quarter being 88% and 93% respectively.

There was a significant recovery in the diamond studded segment of the jewellery business. While coins sales continue to remain high, wedding jewellery segment also witnessed a very good growth in the quarter. The jewellery division recorded an income of Rs. 6,249 crores for the quarter (excluding gold bullion sales) as compared to Rs. 5,409 crores last year, a growth of 16%. The Watches and wearables business recovered well in the quarter to record an income of Rs. 550 crores against Rs. 625 crores in the previous year, a decline of 12%. The Eyewear business also improved with revenues declining by 7% in the quarter, recording an income of Rs. 124 crores as against Rs. 133 crores last year. The recovery in the other segments of the Company comprising Indian dress wear and accessories was still slow and these divisions recorded an income of Rs. 36 crores compared to Rs. 50 crores in the previous year, a decline of 28%.

The very impressive festive season growth led the Company to its highest ever quarterly profit with profit before tax and exceptional items of Rs. 765 crores, compared to Rs. 637 crores in the previous year, a growth of 20% for the quarter. The company made a provision for Rs. 137 crores relating to impairment in the investments in Favre Leuba AG (FLAG), a wholly owned subsidiary, consequent to the decision of the Company to significantly scale down the operations outside India. The Company has recorded a profit of Rs. 668 crores, before exceptional items and taxes, in the nine months compared to a profit before tax of Rs. 1,589 crores in the previous year. The Jewellery division declared Earnings before interest and tax (EBIT) of Rs. 752 crores for the quarter compared to Rs. 701 crores in the previous year. The Watch division reported an EBIT of Rs. 57 crores for the quarter compared to Rs. 52 crores in the previous year. The Eyewear division continues its remarkable performance in the quarter with EBIT of Rs. 22 crores (loss of Rs. 7 crores in the previous year) and has broken even for nine months period (loss of Rs 16 crores in the previous year).

The Company's retail chain (including CaratLane) stands at 1,854 stores, as on 31st December 2020 with a retail area crossing 2.4 million sq.ft. for all its brands covering 292 towns.

Titan Company Limited

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www.titan.co.in

A **TATA** Enterprise



Of the principal subsidiaries of the Company, the Aerospace and Defence business of Titan Engineering and Automation Ltd (TEAL) was impacted severely due to the pandemic even though the Automation Solutions business performed well. The company therefore recorded revenues of Rs. 87 cr. for the quarter and EBIT of Rs. 6 cr. and the performance for the year to date being revenue of Rs. 254 cr (decline of 22%) and Profit before tax of Rs. 31 cr (decline of 46%) for nine months.

CaratLane continues to do very well in both the online and offline channels and ended the quarter with a growth of 34% and a positive EBIT of Rs. 21 cr. The revenue for the year to date was Rs. 468 cr (decline of 1%) and the Net Loss dropped to Rs. 8 cr.

Mr. C K Venkataraman, Managing Director of the Company stated that "We are very pleased to see the return to growth in top line for the company and the recording of the highest ever profits in any quarter in the midst of the pandemic that has hit the world so hard. The recovery witnessed has been significantly better than what we had hoped just a few months back. It is the innovativeness and the untiring efforts of the employees and all business associates along with the positive consumer sentiment that has made this possible. We believe the focus on productivity and cash generation will help improve the company's margins in the future."

S. Subramaniam  
Chief Financial Officer

Titan Company Limited

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A **TATA** Enterprise

# B S R & Co. LLP

Chartered Accountants

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## Limited Review Report on unaudited quarterly and year to date standalone financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

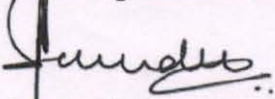
### To the Board of Directors of Titan Company Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Titan Company Limited for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 ("the Statement").
2. 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 Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Supreet Sachdev

Partner

Membership No: 205385

ICAI UDIN: 21205385AAAAAC2388

Place: Bengaluru

Date: 10 February 2021



# TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

| PART I<br>Particulars   | 3 months ended            |                           |                           | 9 months ended            |                           | Year ended              |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|   | 31-12-2020<br>(Unaudited) | 30-09-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-12-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-03-2020<br>(Audited) |
| I. Revenue from operations  |                           |                           |                           |                           |                           |                         |
| - Sale of products/ services  | 6,912                     | 3,892                     | 6,106                     | 12,055                    | 15,362                    | 19,733                  |
| - Other operating revenue (refer note 8)  | 375                       | 426                       | 100                       | 1,412                     | 219                       | 277                     |
| II. Other income (refer note 6)   | 37                        | 71                        | 20                        | 147                       | 106                       | 146                     |
| <b>III. Total income (I +II)</b>  | <b>7,324</b>              | <b>4,389</b>              | <b>6,226</b>              | <b>13,614</b>             | <b>15,687</b>             | <b>20,156</b>           |
| IV. Expenses:   |                           |                           |                           |                           |                           |                         |
| Cost of materials and components consumed   | 4,769                     | 3,212                     | 2,724                     | 8,636                     | 9,608                     | 12,489                  |
| Purchase of stock-in-trade  | 1,120                     | 412                       | 783                       | 1,594                     | 2,290                     | 2,859                   |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress                           | (196)                     | (637)                     | 1,156                     | (72)                      | (484)                     | (836)                   |
| Employee benefits expense   | 226                       | 212                       | 285                       | 660                       | 796                       | 1,040                   |
| Finance costs   | 46                        | 44                        | 40                        | 136                       | 112                       | 149                     |
| Depreciation and amortisation expense   | 84                        | 83                        | 78                        | 249                       | 220                       | 310                     |
| Advertising   | 86                        | 51                        | 141                       | 153                       | 401                       | 477                     |
| Other expenses (refer note 9)   | 424                       | 774                       | 382                       | 1,590                     | 1,155                     | 1,563                   |
| <b>IV. Total expenses</b>   | <b>6,559</b>              | <b>4,151</b>              | <b>5,589</b>              | <b>12,946</b>             | <b>14,098</b>             | <b>18,051</b>           |
| V. Profit/ (loss) before exceptional item and tax (III - IV)  | 765                       | 238                       | 637                       | 668                       | 1,589                     | 2,105                   |
| VI. Exceptional item (refer note 11)  | 137                       | -                         | -                         | 137                       | -                         | -                       |
| VII. Profit/ (loss) before tax (V - VI)   | 628                       | 238                       | 637                       | 531                       | 1,589                     | 2,105                   |
| VIII. Tax expense:  |                           |                           |                           |                           |                           |                         |
| Current tax   | 172                       | -                         | 159                       | 172                       | 399                       | 552                     |
| Deferred tax  | 37                        | 39                        | 8                         | 11                        | 30                        | 36                      |
| <b>VIII. Total tax</b>  | <b>209</b>                | <b>39</b>                 | <b>167</b>                | <b>183</b>                | <b>429</b>                | <b>588</b>              |
| IX. Profit/ (loss) for the period (VII-VIII)  | 419                       | 199                       | 470                       | 348                       | 1,160                     | 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)                       | 20                        | (26)                      | 18                        | (67)                      | (69)                    |
| - Income-tax on (i) above*  | -                         | (5)                       | 7                         | (5)                       | 17                        | 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 | 10                        | 398                       | (124)                     | 212                       | (103)                     | (255)                   |
| - income-tax on (ii) above  | (2)                       | (100)                     | 31                        | (56)                      | 27                        | 68                      |
| <b>X. Total other comprehensive income</b>  | <b>6</b>                  | <b>313</b>                | <b>(112)</b>              | <b>169</b>                | <b>(126)</b>              | <b>(238)</b>            |
| XI. Total comprehensive income (IX+X)   | 425                       | 512                       | 358                       | 517                       | 1,034                     | 1,279                   |
| XII. Paid up equity share capital (face value ₹ 1 per share):   | 89                        | 89                        | 89                        | 89                        | 89                        | 89                      |
| XIII. Other equity:   |                           |                           |                           |                           |                           | 6,736                   |
| XIV. Earnings/ (loss) per equity share of ₹ 1:<br>(based on net profit/ (loss) for the period (IX))     |                           |                           |                           |                           |                           |                         |
| Basic and diluted (not annualised)  | 4.72                      | 2.24                      | 5.29                      | 3.92                      | 13.08                     | 17.09                   |

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

See accompanying notes to the standalone unaudited financial results





# TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

### SEGMENT INFORMATION (Refer note 3)

₹ in crores

| Particulars   | 3 months ended            |                           |                           | 9 months ended            |                           | Year ended              |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|   | 31-12-2020<br>(Unaudited) | 30-09-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-12-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-03-2020<br>(Audited) |
| Segment revenues and profit and loss                            |                           |                           |                           |                           |                           |                         |
| a) Sales / Income from segments                                 |                           |                           |                           |                           |                           |                         |
| Watches   | 550                       | 400                       | 625                       | 1,025                     | 2,059                     | 2,616                   |
| Jewellery (refer note 8)  | 6,589                     | 3,837                     | 5,409                     | 12,209                    | 12,984                    | 16,738                  |
| Eyewear   | 124                       | 94                        | 133                       | 248                       | 436                       | 544                     |
| Others  | 36                        | 23                        | 50                        | 63                        | 129                       | 171                     |
| Corporate (unallocated)   | 25                        | 35                        | 9                         | 69                        | 79                        | 87                      |
| <b>Total</b>  | <b>7,324</b>              | <b>4,389</b>              | <b>6,226</b>              | <b>13,614</b>             | <b>15,687</b>             | <b>20,156</b>           |
| b) Profit / (Loss) from segments before finance costs and taxes |                           |                           |                           |                           |                           |                         |
| Watches   | 57                        | (4)                       | 52                        | (111)                     | 293                       | 365                     |
| Jewellery   | 752                       | 285                       | 701                       | 983                       | 1,527                     | 2,061                   |
| Eyewear*  | 22                        | 9                         | (7)                       | -                         | (16)                      | (14)                    |
| Others  | (8)                       | (10)                      | (9)                       | (36)                      | (37)                      | (58)                    |
| Corporate (unallocated)   | (149)                     | 2                         | (60)                      | (169)                     | (66)                      | (100)                   |
|   | <b>674</b>                | <b>282</b>                | <b>677</b>                | <b>667</b>                | <b>1,701</b>              | <b>2,254</b>            |
| Finance costs   | 46                        | 44                        | 40                        | 136                       | 112                       | 149                     |
| <b>Profit/ (loss) before taxes</b>                              | <b>628</b>                | <b>238</b>                | <b>637</b>                | <b>531</b>                | <b>1,589</b>              | <b>2,105</b>            |
| c) Segment assets and liabilities                               |                           |                           |                           |                           |                           |                         |
| Segment assets  |                           |                           |                           |                           |                           |                         |
| Watches   | 1,902                     | 2,048                     | 2,049                     | 1,902                     | 2,049                     | 2,143                   |
| Jewellery   | 8,755                     | 8,068                     | 7,469                     | 8,755                     | 7,469                     | 8,225                   |
| Eyewear   | 425                       | 457                       | 505                       | 425                       | 505                       | 495                     |
| Others  | 201                       | 221                       | 221                       | 201                       | 221                       | 217                     |
| Corporate (unallocated)   | 3,756                     | 2,699                     | 2,087                     | 3,756                     | 2,087                     | 2,108                   |
| <b>Total</b>  | <b>15,039</b>             | <b>13,493</b>             | <b>12,331</b>             | <b>15,039</b>             | <b>12,331</b>             | <b>13,188</b>           |
| Segment liabilities   |                           |                           |                           |                           |                           |                         |
| Watches   | 650                       | 635                       | 801                       | 650                       | 801                       | 775                     |
| Jewellery   | 6,898                     | 5,366                     | 4,447                     | 6,898                     | 4,447                     | 4,449                   |
| Eyewear   | 210                       | 197                       | 256                       | 210                       | 256                       | 234                     |
| Others  | 98                        | 93                        | 71                        | 98                        | 71                        | 91                      |
| Corporate (unallocated)   | 196                       | 641                       | 175                       | 196                       | 175                       | 814                     |
| <b>Total</b>  | <b>8,052</b>              | <b>6,932</b>              | <b>5,750</b>              | <b>8,052</b>              | <b>5,750</b>              | <b>6,363</b>            |

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



A.



# TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

## Notes:

- 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.
- From the quarter ended June 20, 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.
- 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.
- During the period, the Company incorporated Titan Commodity Trading Limited as a wholly owned subsidiary in August 2020.
- In line with the Company's strategy to focus on primary business and proprietary brands, and as mutually agreed with Montblanc Services B.V., the Company has exercised the full put option on 8th December 2020 as per the joint venture agreement and would be divesting its stake in Montblanc India Retail Private Limited. The requisite formalities will be completed during the last quarter of the financial year 2020-21. The Company had reclassified the investments in Montblanc India Retail Private Limited as "Asset held for sale" in the balance sheet as at 30 September 2020. During the quarter ended 31 December 2020, the Company continues to classify the Investments under "Asset held for sale".
- During the period ended 31 December 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 specified in 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 exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income" (net of rent expenses). Accordingly, the Company has recognised ₹ 6 crores during the quarter ( ₹ 55 crores for the nine months period) in the statement of profit and loss.
- During the quarter ended 30 September 2020, the Company had issued ₹ 500 crores of commercial paper with a tenure of 3 months, which were matured and redeemed in November 2020. No commercial papers were issued during the current quarter. As per the requirement of SEBI Circular dated October 22, 2019 and subsequent amendments thereof, the Company had listed its commercial papers on the National Stock Exchange (NSE) with effect from date of placement.
- During the quarter and nine months ended 31 December 2020, the Company sold gold-ingots aggregating ₹ 340 crores and ₹ 1,332 crores respectively to various customers dealing in bullion, which is disclosed as other operating revenues.
- The Company has recognized a loss of ₹ 51 crores during the quarter ( ₹ 740 crores for the nine months period) as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This has led to preclosures of hedge contracts originally designated against sales in the subsequent quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.
- Based on its assessment of recoverability, the Company had made a provision of ₹ 34 crores in the quarter ending 30 September 2020 (which is included in other expenses) against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action has been initiated in this regard.
- During December 2020, the Company decided to significantly scale down the operations of its wholly owned subsidiary, Favre Leuba AG (FLAG) owing to severe impact due to current covid pandemic. Consequent to this, the Company has performed an impairment testing of its investment in FLAG and has made a provision of ₹ 137 crores towards impairment in the quarter and disclosed under exceptional items.

Profit / (loss) from segments before exceptional items, finance costs and taxes are as below for the quarter and nine months ended 31 December 2020:  
₹ in crores

| Segment                 | Quarter ended | 9 months ended |
|-------------------------|---------------|----------------|
|                         | 31-12-2020    | 31-12-2020     |
|                         | (Unaudited)   | (Unaudited)    |
| Watches                 | 57            | (111)          |
| Jewellery               | 752           | 983            |
| Eyewear                 | 22            | -              |
| Others                  | (8)           | (36)           |
|                         | <b>823</b>    | <b>836</b>     |
| Corporate (Unallocated) | (12)          | (32)           |
|                         | <b>811</b>    | <b>804</b>     |

- The statutory auditors have carried out limited review of the standalone unaudited financial results for the quarter and nine months ended 31 December 2020 and have issued an unmodified review report.
- The standalone unaudited financial results of the Company for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee of the Board on 9 February 2021 and approved by the Board of Directors at their meeting on 10 February 2021.

for and on behalf of the Board of Directors

C K Venkataraman  
Managing Director

Place: Chennai  
Date: 10 February 2021



# B S R & Co. LLP

Chartered Accountants

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## Limited Review Report on unaudited quarterly and year to date consolidated financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Titan Company Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Titan Company Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit / (loss) after tax and total comprehensive income of its associate and joint venture for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

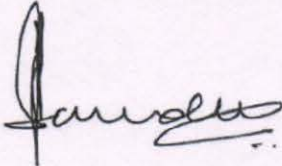
**Limited Review Report on unaudited quarterly and year to date consolidated financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

4. The Statement includes the results of the following entities:

| Entity                                   | Relationship   |
|--|--|
| Titan Company Limited                    | Parent   |
| Titan Engineering & Automation Limited   | Subsidiary   |
| Caratlane Trading Private Limited        | Subsidiary   |
| Favre Leuba AG, Switzerland              | Subsidiary   |
| Titan Holdings International FZCO, Dubai | Subsidiary<br>(Incorporated on 15 October 2019)  |
| Titan Commodity Trading Limited          | Subsidiary<br>(Incorporated on 10 August 2020)   |
| Titan Global Retail L.L.C., Dubai        | Subsidiary of Titan Holdings International FZCO, Dubai<br>(Incorporated on 15 December 2019) |
| Titan Watch Company Limited, Hong Kong   | Subsidiary of Favre Leuba AG, Switzerland  |
| Green Infra Wind Power Theni Limited     | Associate  |
| Montblanc India Retail Private Limited   | Joint Venture (also refer note 6 of the consolidated financial results)                      |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BSR & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022



**Supreet Sachdev**  
Partner  
Membership Number: 205385  
ICAI UDIN: 21205385 AAAAAD8449

Place: Bengaluru  
Date: 10 February 2021





# TITAN COMPANY LIMITED

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

## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

PART I

₹ in crores except earnings per share

| Particulars   | 3 months ended            |                           |                           | 9 months ended            |                           | Year ended              |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|   | 31-12-2020<br>(Unaudited) | 30-09-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-12-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-03-2020<br>(Audited) |
| I. Revenue from operations  |                           |                           |                           |                           |                           |                         |
| - Sale of products/ services  | 7,243                     | 4,127                     | 6,454                     | 12,738                    | 16,150                    | 20,768                  |
| - Other operating revenues (refer note 11)  | 376                       | 426                       | 73                        | 1,413                     | 190                       | 284                     |
| II. Other income (refer note 10)  | 40                        | 48                        | 23                        | 129                       | 112                       | 153                     |
| <b>III. Total income (I +II)</b>  | <b>7,659</b>              | <b>4,601</b>              | <b>6,550</b>              | <b>14,280</b>             | <b>16,452</b>             | <b>21,205</b>           |
| IV. Expenses:   |                           |                           |                           |                           |                           |                         |
| Cost of materials and components consumed   | 4,971                     | 3,355                     | 2,879                     | 9,038                     | 10,029                    | 13,042                  |
| Purchase of stock-in-trade  | 1,171                     | 435                       | 811                       | 1,673                     | 2,394                     | 2,991                   |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress                                       | (242)                     | (658)                     | 1,173                     | (134)                     | (546)                     | (878)                   |
| Employee benefits expense   | 267                       | 248                       | 327                       | 775                       | 915                       | 1,199                   |
| Finance costs   | 51                        | 49                        | 45                        | 152                       | 123                       | 166                     |
| Depreciation and amortisation expense   | 96                        | 94                        | 88                        | 283                       | 246                       | 348                     |
| Advertising   | 105                       | 61                        | 168                       | 187                       | 463                       | 560                     |
| Other expenses (refer note 12)  | 499                       | 799                       | 411                       | 1,704                     | 1,232                     | 1,671                   |
| <b>IV. Total expenses</b>   | <b>6,918</b>              | <b>4,383</b>              | <b>5,902</b>              | <b>13,678</b>             | <b>14,856</b>             | <b>19,099</b>           |
| V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV) | 741                       | 218                       | 648                       | 602                       | 1,596                     | 2,106                   |
| VI. Share of profit/ (loss) of:   |                           |                           |                           |                           |                           |                         |
| - Associate*  | -                         | -                         | -                         | -                         | -                         | 1                       |
| - Joint Venture*  | -                         | (1)                       | -                         | (5)                       | (4)                       | (5)                     |
| VII. Profit before exceptional item and tax (V - VI)  | 741                       | 217                       | 648                       | 597                       | 1,592                     | 2,102                   |
| VIII. Exceptional item  | -                         | -                         | -                         | -                         | -                         | -                       |
| IX. Profit before tax (VII - VIII)  | 741                       | 217                       | 648                       | 597                       | 1,592                     | 2,102                   |
| X. Tax expense:   |                           |                           |                           |                           |                           |                         |
| Current tax   | 175                       | 4                         | 165                       | 180                       | 411                       | 570                     |
| Deferred tax  | 36                        | 40                        | 9                         | 11                        | 31                        | 39                      |
| <b>X. Total tax</b>   | <b>211</b>                | <b>44</b>                 | <b>174</b>                | <b>191</b>                | <b>442</b>                | <b>609</b>              |
| XI. Profit for the period (IX-X)  | 530                       | 173                       | 474                       | 406                       | 1,150                     | 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*  | (3)                       | 22                        | (25)                      | 19                        | (71)                      | (73)                    |
| - Income-tax on (i) above*  | 1                         | (6)                       | 7                         | (5)                       | 18                        | 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             | 10                        | 400                       | (124)                     | 212                       | (104)                     | (255)                   |
| - Exchange differences in translating the financial statements of foreign* operations                               | 1                         | -                         | 2                         | 2                         | 4                         | 7                       |
| - income-tax on (ii) above  | (2)                       | (100)                     | 31                        | (56)                      | 27                        | 68                      |
| <b>XII. Total other comprehensive income</b>  | <b>7</b>                  | <b>316</b>                | <b>(109)</b>              | <b>172</b>                | <b>(126)</b>              | <b>(234)</b>            |
| XIII. Total comprehensive income (XI+XII)   | 537                       | 489                       | 365                       | 578                       | 1,024                     | 1,259                   |
| Profit for the period attributable to:  |                           |                           |                           |                           |                           |                         |
| - Owners of the Group   | 525                       | 175                       | 474                       | 409                       | 1,156                     | 1,501                   |
| - Non-controlling interest*   | 5                         | (2)                       | -                         | (3)                       | (6)                       | (8)                     |
| Other comprehensive income for the period attributable to:  |                           |                           |                           |                           |                           |                         |
| - Owners of the Group   | 7                         | 315                       | (109)                     | 172                       | (126)                     | (234)                   |
| - Non-controlling interest *  | -                         | 1                         | -                         | -                         | -                         | -                       |
| Total comprehensive income for the period attributable to:  |                           |                           |                           |                           |                           |                         |
| - Owners of the Group   | 532                       | 490                       | 365                       | 581                       | 1,030                     | 1,267                   |
| - Non-controlling interest  | 5                         | (1)                       | -                         | (3)                       | (6)                       | (8)                     |
|   | 537                       | 489                       | 365                       | 578                       | 1,024                     | 1,259                   |
| XIV. Paid up equity share capital (face value ₹ 1 per share):   | 89                        | 89                        | 89                        | 89                        | 89                        | 89                      |
| XV. Other equity:   |                           |                           |                           |                           |                           | 6,580                   |
| XVI. Earnings/(Loss) per equity share of ₹ 1:<br>(based on net profit for the period (XI))                          |                           |                           |                           |                           |                           |                         |
| Basic and diluted (not annualised)  | 5.92                      | 1.97                      | 5.35                      | 4.61                      | 13.01                     | 16.91                   |

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





# TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

SEGMENT INFORMATION (Refer note 9)

₹ in Crores

| Particulars  | 3 months ended            |                           |                           | 9 months ended            |                           | Year ended              |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|  | 31-12-2020<br>(Unaudited) | 30-09-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-12-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-03-2020<br>(Audited) |
| Segment revenues and profit and loss   |                           |                           |                           |                           |                           |                         |
| a) Sales / Income from segments  |                           |                           |                           |                           |                           |                         |
| Watches  | 551                       | 401                       | 627                       | 1,028                     | 2,063                     | 2,622                   |
| Jewellery (refer note 11)  | 6,836                     | 3,983                     | 5,606                     | 12,643                    | 13,420                    | 17,319                  |
| Eyewear  | 124                       | 94                        | 133                       | 248                       | 436                       | 544                     |
| Others   | 123                       | 113                       | 175                       | 317                       | 455                       | 635                     |
| Corporate (unallocated)  | 25                        | 10                        | 9                         | 44                        | 78                        | 85                      |
| <b>Total</b>   | <b>7,659</b>              | <b>4,601</b>              | <b>6,550</b>              | <b>14,280</b>             | <b>16,452</b>             | <b>21,205</b>           |
| b) Profit / (Loss) from segments before finance costs and taxes              |                           |                           |                           |                           |                           |                         |
| Watches  | 15                        | (12)                      | 39                        | (170)                     | 262                       | 316                     |
| Jewellery  | 766                       | 286                       | 704                       | 984                       | 1,521                     | 2,051                   |
| Eyewear  | 22                        | 9                         | (7)                       | -                         | (16)                      | (14)                    |
| Others*  | -                         | 7                         | 17                        | (5)                       | 19                        | 19                      |
| Corporate (unallocated)  | (11)                      | (24)                      | (60)                      | (60)                      | (71)                      | (104)                   |
|  | <b>792</b>                | <b>266</b>                | <b>693</b>                | <b>749</b>                | <b>1,715</b>              | <b>2,268</b>            |
| Finance costs  | 51                        | 49                        | 45                        | 152                       | 123                       | 166                     |
| <b>Profit before taxes including share from Associate and Joint Venture.</b> | <b>741</b>                | <b>217</b>                | <b>648</b>                | <b>597</b>                | <b>1,592</b>              | <b>2,102</b>            |
| c) Segment assets and liabilities  |                           |                           |                           |                           |                           |                         |
| Segment assets   |                           |                           |                           |                           |                           |                         |
| Watches  | 1,942                     | 2,115                     | 2,132                     | 1,942                     | 2,132                     | 2,218                   |
| Jewellery  | 9,538                     | 8,780                     | 8,107                     | 9,538                     | 8,107                     | 8,904                   |
| Eyewear  | 425                       | 457                       | 505                       | 425                       | 505                       | 495                     |
| Others   | 696                       | 679                       | 683                       | 696                       | 683                       | 710                     |
| Corporate(Unallocated)   | 2,998                     | 1,807                     | 1,218                     | 2,998                     | 1,218                     | 1,223                   |
| <b>Total</b>   | <b>15,599</b>             | <b>13,838</b>             | <b>12,645</b>             | <b>15,599</b>             | <b>12,645</b>             | <b>13,550</b>           |
| Segment liabilities  |                           |                           |                           |                           |                           |                         |
| Watches  | 656                       | 643                       | 815                       | 656                       | 815                       | 783                     |
| Jewellery  | 7,380                     | 5,783                     | 4,759                     | 7,380                     | 4,759                     | 4,811                   |
| Eyewear  | 210                       | 197                       | 256                       | 210                       | 256                       | 234                     |
| Others   | 246                       | 212                       | 201                       | 246                       | 201                       | 242                     |
| Corporate(Unallocated)   | 196                       | 641                       | 175                       | 196                       | 175                       | 807                     |
| <b>Total</b>   | <b>8,688</b>              | <b>7,476</b>              | <b>6,206</b>              | <b>8,688</b>              | <b>6,206</b>              | <b>6,877</b>            |

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



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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 and nine months ended 31 December 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:

₹ in Crores

| Particulars                           | 3 months ended            |                           |                           | 9 months ended            |                           | Year ended              |
|---------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|                                       | 31-12-2020<br>(Unaudited) | 30-09-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-12-2020<br>(Unaudited) | 31-12-2019<br>(Unaudited) | 31-03-2020<br>(Audited) |
| Revenue from operations               | 7,287                     | 4,318                     | 6,206                     | 13,467                    | 15,581                    | 20,010                  |
| Profit before tax                     | 628                       | 238                       | 637                       | 531                       | 1,589                     | 2,105                   |
| Net profit for the period (after tax) | 419                       | 199                       | 470                       | 348                       | 1,160                     | 1,517                   |
| Total comprehensive income            | 425                       | 512                       | 358                       | 517                       | 1,034                     | 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 quarter ended June 20, the Group has decided to report all the financial results in ₹ crores in lieu of in ₹ lakhs reported earlier. Accordingly, comparative numbers which were reported in ₹ lakhs previously have been reflected in ₹ crores in this report.

4 During the period, the Group incorporated Titan Commodity Trading Limited as a wholly owned subsidiary of Titan Company Limited in August 2020.

5 During the quarter and period ended 31 December 2020, the Group decided to significantly scale down the operations of its wholly owned subsidiary, Favre Leuba AG (FLAG) owing to severe impact due to current covid pandemic. Consequent to this, the Group has done an assessment of the recoverability of the assets based on a best estimate and has made a provision amounting to ₹ 32 crores towards impairment of assets held by the subsidiary - FLAG.

6 In line with the Group's strategy to focus on primary business and proprietary brands, and as mutually agreed with Montblanc Services B.V., the Group has exercised the full put option on 8th December 2020 as per the joint venture agreement and would be divesting its stake in Montblanc India Retail Private Limited. The requisite formalities will be completed during the last quarter of the financial year 2020-21. The Group had reclassified the investments in Montblanc India Retail Private Limited as "Asset held for sale" in the balance sheet as at 30 September 2020. During the quarter ended 31 December 2020, the Group continues to classify the investments under "Asset held for sale".

7 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 Group Limited, Hong Kong

(100% Subsidiary of Favre Leuba A G)

Titan Commodity Trading Limited (from 10 August 2020)

### Jointly controlled entity

Montblanc India Retail Private Limited (also refer note 6 above)

### Associate Company

Green Infra Wind Power Theni Limited

8 During the quarter ended 30 September 2020, the Group had ₹ 630 crores of commercial paper outstanding with a tenure of 3 to 6 months, which were matured and redeemed during the current quarter with in the due dates. Further, during the quarter, a subsidiary had issued ₹100 crores of commercial papers with a tenure ranging from 3 to 6 months. Out of the balance amount of ₹ 100 crores, ₹ 30 crores is due for maturity on 10 February 2021, ₹ 35 crores on 8 March 2021 and the balance ₹ 35 crores on 18 June 2021. 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.

9 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).

10 During the period ended 31 December 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 specified in 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 exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income" (net of rent expenses). Accordingly, the Group has recognised ₹ 6 crores during the quarter ( ₹ 58 crores for the nine months period) in the statement of profit and loss.

11 During the quarter and nine months ended 31 December 2020, the Group sold gold-ingots aggregating ₹ 340 crores and ₹ 1,332 crores respectively to various customers dealing in bullion, which is disclosed as other operating revenues.

12 The Group has recognized a loss of ₹ 51 crores during the quarter ( ₹ 741 crores for the nine months period) as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This has led to prelosures of hedge contracts originally designated against sales in the subsequent quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.



11



## TITAN COMPANY LIMITED

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13 Based on its assessment of recoverability, the Group had made a provision of ₹ 34 crores in the quarter ending 30 September 2020 (which is included in other expenses) against receivables from one of the brokers with whom the Group was transacting. The Group, however, continues to monitor the developments in this matter and necessary legal action has been initiated in this regard.

14 The statutory auditors have carried out limited review of the unaudited financial results for the quarter and nine months ended 31 December 2020 and have issued an unmodified review report.

15 The Consolidated unaudited financial results of the Group for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee of the Board on 9 February 2021 and approved by the Board of Directors at their meeting on 10 February 2021.

Place: Chennai  
Date: 10 February 2021

for and on behalf of the Board of Directors

C K Venkataraman  
Managing Director

