



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

₹ lakh

	Quarter ended 31-12-2016	Quarter ended 30-09-2016	Quarter ended 31-12-2015	Nine months ended 31-12-2016	Nine months ended 31-12-2015	Year ended 31-03-2016
PART I						
Statement of Standalone Unaudited Results						
1 Income from operations						
(a) Sales / Income from operations	390,522	265,983	340,452	937,136	875,981	1,120,821
(b) Other operating income	2,073	1,594	2,778	5,298	6,848	8,763
Total income from operations	392,595	267,577	343,230	942,434	882,829	1,129,584
2 Expenses						
(a) Cost of materials consumed	213,732	195,113	204,278	583,726	545,992	742,395
(b) Purchase of stock-in-trade	28,143	28,146	30,417	74,961	77,816	95,623
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	54,519	(42,899)	22,179	15,514	23,576	(19,139)
(d) Excise duty	3,388	2,339	613	8,108	2,000	3,121
(e) Employee benefits expense	19,122	18,160	17,380	56,476	53,012	67,637
(f) Advertising	11,947	9,808	11,949	32,024	33,805	42,918
(g) Depreciation and amortisation expense	2,692	2,596	2,482	7,896	7,169	9,711
(h) Other expenses	24,393	29,275	25,526	77,423	73,407	102,358
Total expenses	357,936	242,538	314,824	856,128	816,777	1,044,624
3 Profit from operations before other income, finance costs and exceptional item	34,659	25,039	28,406	86,306	66,052	84,960
4 Other income	1,275	1,171	1,620	3,781	4,757	7,359
5 Profit before finance costs and exceptional item	35,934	26,210	30,026	90,087	70,809	92,319
6 Finance costs	840	1,171	1,137	2,890	3,191	4,228
7 Profit after finance costs but before exceptional item	35,094	25,039	28,889	87,197	67,618	88,091
8 Exceptional item (refer note no: 3)	60	298	-	10,046	-	-
9 Profit before taxes	35,034	24,741	28,889	77,151	67,618	88,091
10 Tax expense						
- Current	10,160	7,158	6,094	22,374	15,336	18,570
- MAT Credit	-	-	-	-	-	(1,663)
- Deferred	(701)	(493)	180	(1,543)	(113)	(131)
11 Profit after taxes	25,575	18,076	22,615	56,320	52,395	71,315
12 Other Comprehensive Income (OCI) (after taxes)						
- On actuarial gains/ (losses) on employee benefits	-	(1,162)	-	(1,162)	-	(510)
- Gain/ (loss) arising on changes in fair value of hedging instruments designated as cash flow hedge (Refer note -5)	6,698	10,023	1,963	10,203	921	(3,421)
	6,698	8,861	1,963	9,041	921	(3,931)
13 Total Comprehensive Income (after taxes)	32,273	26,937	24,578	65,361	53,316	67,384
14 Paid-up equity share capital (face value: ₹1 per share)	8,878	8,878	8,878	8,878	8,878	8,878
15 Basic and diluted earnings per equity share (₹) (Not annualised)	2.88	2.04	2.55	6.34	5.90	8.03

See accompanying notes to the financial results





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PART II

Segment information for the quarter and nine months ended 31 December 2016

	₹ lakh					
	Quarter ended 31-12-2016	Quarter ended 30-09-2016	Quarter ended 31-12-2015	Nine months ended 31-12-2016	Nine months ended 31-12-2015	Year ended 31-03-2016
Segment Results						
Sales / Income from segments						
Watches	50,826	52,369	48,382	153,168	152,504	197,436
Jewellery	325,500	198,751	282,027	739,310	687,609	872,265
Eyewear	9,065	9,519	8,068	29,633	27,753	37,452
Others	7,597	7,291	5,258	21,571	16,190	24,554
Corporate(Unallocated)	882	818	1,115	2,533	3,530	5,236
Total	393,870	268,748	344,850	946,215	887,586	1,136,943
Profit / (Loss) from segments before finance costs and taxes						
Watches	5,287	6,430	3,242	12,633	16,326	17,065
Jewellery	33,428	21,819	29,031	75,632	59,230	80,004
Eyewear	(294)	198	73	202	725	2,061
Others	(658)	(595)	(1,265)	(2,086)	(2,904)	(3,503)
Total	37,763	27,852	31,081	86,381	73,377	95,627
Less : Finance costs	840	1,171	1,137	2,890	3,191	4,228
Unallocable expenditure net of unallocable income	1,889	1,940	1,055	6,340	2,568	3,308
Profit before taxes	35,034	24,741	28,889	77,151	67,618	88,091
Segment assets						
Watches	131,280	119,502	131,080	131,280	131,080	119,774
Jewellery	429,442	474,336	358,611	429,442	358,611	415,954
Eyewear	20,229	18,939	15,268	20,229	15,268	16,771
Others	31,802	31,445	27,597	31,802	27,597	27,563
Corporate(Unallocated)	143,336	104,059	132,816	143,336	132,816	54,072
Total	756,089	748,281	665,372	756,089	665,372	634,134
Segment liabilities						
Watches	53,225	51,033	45,524	53,225	45,524	41,967
Jewellery	262,735	206,860	235,529	262,735	235,529	213,804
Eyewear	8,383	7,125	7,155	8,383	7,155	6,899
Others	7,810	7,430	6,728	7,810	6,728	6,045
Corporate(Unallocated)	2,254	90,123	4,869	2,254	4,869	12,897
Total	334,407	362,571	299,805	334,407	299,805	281,612

1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2 This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the nine months ended December 31, 2016 which needs to be explained.

3 The Company has announced Voluntary Retirement Scheme (VRS) to its employees during the period. The entire expenses relating to the same being exceptional are classified accordingly and accounted for in the period. Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below for the nine months ended December 31, 2016:

Division	₹ Lakh
Watches	19,112
Jewellery	76,982
Eyewear	590
Others	(1,454)
	95,230
Corporate (Unallocated)	(5,143)
	90,087

4 The Company is structured into four verticals namely Watches, Jewellery, Eyewear and others where -Others' include Precision Engineering, Machine Building, Clocks, Accessories and Fragrances. Accordingly, the Company has presented its segment results under these business segments.

5 The company uses derivative financial instruments (hedging instruments) to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions (sales). The hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Under the previous GAAP, changes in the fair value of these hedging instruments designated and effective as hedges of future cash flows were recognized directly in hedging reserves (grouped under reserves and surplus) which as per the Ind AS requirements are routed through Other Comprehensive Income. On occurrence of the forecast transaction (sales), the effective portion of these derivatives are adjusted against the sales (underlying hedged item) and ineffective portion is recognized as expense in the Statement of profit and loss.



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6. Reconciliation of profit between Ind AS and previous Generally Accepted Accounting Principles (GAAP)

₹ lakh

SI No.	Nature of adjustments	Note No.	Profit Reconciliation		
			Quarter ended 31-12-2015	Nine months ended 31-12-2015	Year ended 31-03-2016
	Profit after tax as reported under previous GAAP		22,529	52,174	70,585
1	Impact due to recognition of lease rentals on straight line basis	ii	136	384	448
2	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	18	4	(16)
3	Impact due to recognition of revenue over the period in which services are rendered	iv	(16)	(31)	(40)
4	Reclassification of actuarial gains / (losses), arising in respect of employee benefit schemes, to Other Comprehensive Income		-	-	633
5	Tax adjustments		(52)	(136)	(295)
	Profit under Ind AS (after tax)		22,615	52,395	71,315
	Other Comprehensive Income (after taxes)				
6	On actuarial gains/ (losses) on employee benefits		-	-	(510)
7	Gain/ (loss) arising on changes in fair value of hedging instruments designated as cash flow hedge (Refer note -5)		1,963	921	(3,421)
	Total comprehensive income as reported under Ind AS		24,578	53,316	67,384

Notes:

- i Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its standalone financial results:
- a. Property, Plant and Equipment were carried in the statement of financial position prepared under previous GAAP as at March 31, 2015. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 01, 2015.
- b. Under previous GAAP, investment in subsidiaries, joint venture and associate were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at March 31, 2015 as deemed cost at the date of transition.
- c. Under previous GAAP, non-current Investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments [other than those in (i) (b)] have been classified as Fair Value through Profit and Loss (FVTPL) through an irrevocable election at the date of transition.
- d. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in the statement of profit or loss.
- ii Under previous GAAP, lease payments on all operating leases were recognised as an expense on a straight line basis over the lease term. Under Ind AS, lease payments under operating leases recognised on a straight line basis as expense only if the payments to lessor vary because of factors other than expected general inflation.
- iii Under previous GAAP, employee loans were stated at the amount paid to the employees. Under Ind AS, employee loans are carried at amortised cost over the period of employee loans.
- Under previous GAAP, leasehold land were recognised at cost in property, plant and equipment. Under Ind AS, leases of land are classified as operating leases and accordingly amortised over the period of lease.
- Under previous GAAP, lease deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.
- iv Under previous GAAP, revenue relating to EMG (Extended Maintenance Guarantee) and signing fees were recognised at the point of receipt / agreement respectively. Under Ind AS, EMG and signing fees is recognised in the accounting periods in which services are rendered.

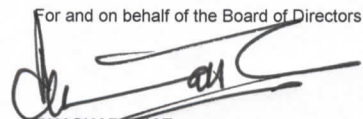
7. The figures of the previous periods have been regrouped/ recast, where necessary, to conform to the current period classification.

8. The unaudited standalone financial results of the Company for the period ended December 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on February 07, 2017.

Bengaluru, February 07, 2017



For and on behalf of the Board of Directors



BHASKAR BHAT
Managing Director

