



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2017

PART I

₹ lakh

	Quarter ended 31-03-2017 (Audited) (Refer note 3)	Quarter ended 31-12-2016 (Unaudited) (Refer note 3)	Quarter ended 31-03-2016 (Audited) (Refer note 3)	Year ended 31-03-2017 (Audited) (Refer note 3)	Year ended 31-03-2016 (Audited) (Refer note 3)	Consolidated Year ended 31-03-2017 (Audited)	Consolidated Year ended 31-03-2016 (Audited)
I. Revenue from operations	345,973	386,746	239,756	1,271,689	1,110,538	1,310,016	1,131,002
II. Other income	2,726	1,265	2,574	6,477	7,316	7,049	7,392
III. Total Income (I + II)	348,699	388,011	242,330	1,278,166	1,117,854	1,317,065	1,138,394
IV. Expenses:							
Cost of materials and components consumed	263,817	212,669	194,865	843,457	736,798	857,271	741,594
Purchase of stock-in-trade	37,826	28,143	17,807	112,787	95,623	117,016	95,623
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(44,635)	54,238	(43,607)	(28,847)	(18,054)	(31,371)	(19,143)
Excise duty on sale of goods	3,003	3,031	607	10,235	2,133	12,130	3,413
Employee benefits expense	17,550	17,792	13,517	70,095	62,320	79,386	69,628
Finance costs	823	840	1,037	3,713	4,228	3,774	4,236
Depreciation and amortization expense	2,242	2,383	2,292	9,323	8,712	11,053	9,819
Advertising	13,033	11,934	9,098	45,041	42,892	46,295	42,947
Other expenses	28,169	22,257	26,585	99,383	94,362	113,740	103,466
Total Expenses	321,828	353,287	222,201	1,165,187	1,029,014	1,209,294	1,051,583
V. Profit before exceptional item and tax (III - IV)	26,871	34,724	20,129	112,979	88,840	107,771	86,811
VI. Exceptional item (Refer note 4)	223	60	-	9,637	-	10,269	-
VII. Profit before tax (V - VI)	26,648	34,664	20,129	103,342	88,840	97,502	86,811
VIII. Tax expense:							
Current tax	7,887	10,052	3,234	30,000	18,693	30,211	18,759
Less : MAT credit	-	-	(1,663)	-	(1,663)	-	(1,663)
Deferred tax	(1,310)	(694)	(130)	(2,844)	2,053	(2,614)	2,063
Total Tax	6,577	9,358	1,441	27,156	19,083	27,597	19,159
IX. Profit for the period (VII-VIII)	20,071	25,306	18,688	76,186	69,757	69,905	67,652
X. Share of Profit/ (Loss)							
- Associate						28	(17)
- Jointly controlled entity						(205)	(183)
XI. Net Profit (IX+X)	20,071	25,306	18,688	76,186	69,757	69,728	67,452
XII. Other comprehensive income							
(i) Items that will not be reclassified to the statement of profit and loss							
- Remeasurement of employee defined benefit plans	489	-	(573)	(1,232)	(573)	(1,316)	(605)
- Income-tax on (i) above	(142)	-	123	357	123	365	125
(ii) Items that will be reclassified to the statement of profit and loss							
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge	(10,959)	(11,774)	(6,117)	3,411	(4,819)	3,411	(4,821)
- Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	(117)	(83)
- income-tax on (ii) above	3,177	3,414	1,774	(990)	1,398	(982)	1,400
Total other comprehensive income	(7,435)	(8,360)	(4,793)	1,546	(3,871)	1,361	(3,984)
XIII. Total comprehensive income (XI+XII)	12,636	16,946	13,895	77,732	65,886	71,089	63,468
Profit for the year attributable to:							
- Owners of the Company						71,147	67,452
- Non-controlling interest						(1,419)	-
Other comprehensive income for the year attributable to:						69,728	67,452
- Owners of the Company						1,370	(3,984)
- Non-controlling interest						(9)	-
Total comprehensive income for the year attributable to:						1,361	(3,984)
- Owners of the Company						72,517	63,468
- Non-controlling interest						(1,428)	-
XIV. Earnings per equity share of ₹ 1: (based on net profit for the year (XI)) Basic & diluted (not annualised)	2.26	2.85	2.10	8.58	7.86	7.85	7.60

See accompanying notes to the financial results





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3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

PART II

₹ lakh

	Standalone			Consolidated		
	Year ended 31-03-2017 (Audited)	Year ended 31-03-2016 (Audited)	Year ended 01-04-2015 (Audited)	Year ended 31-03-2017 (Audited)	Year ended 31-03-2016 (Audited)	Year ended 01-04-2015 (Audited)
ASSETS						
(1) Non-current assets						
(a) Property, plant and equipment	68,716	64,439	57,010	85,316	74,083	66,230
(b) Capital work-in-progress	14,027	7,684	4,453	14,324	10,671	5,519
(c) Investment property	1,065	972	972	1,065	972	972
(d) Intangible assets	951	997	337	20,190	1,999	1,023
(e) Intangible assets under development	756	-	-	883	-	-
(f) Goodwill on Consolidation	-	-	-	12,301	-	-
(g) Financial assets						
(i) Investments	51,160	8,037	3,903	3,701	2,786	950
(ii) Other financial assets	8,265	10,309	9,319	9,002	10,509	9,464
(h) Deferred tax assets (net)	224	-	-	359	324	365
(i) Tax assets (net)	8,142	10,250	6,884	8,189	10,244	6,966
(j) Other non-current assets	9,341	10,325	9,485	9,485	10,398	9,546
	162,647	113,013	92,363	164,815	121,986	101,035
(2) Current assets						
(a) Inventories	480,649	438,176	398,587	492,574	444,715	404,931
(b) Financial assets						
(i) Investments	37,453	-	-	39,372	255	-
(ii) Trade receivables	11,536	13,485	13,955	20,760	19,250	18,974
(iii) Cash and cash equivalents	77,274	11,166	21,020	80,203	11,635	21,380
(iv) Other financial assets	51,218	43,586	44,100	28,729	24,284	27,432
(c) Other current assets	14,463	11,409	11,622	17,807	12,390	12,551
	672,593	517,822	489,284	679,445	512,529	485,268
TOTAL ASSETS	835,240	630,835	581,647	844,260	634,515	586,303
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	8,878	8,878	8,878	8,878	8,878	8,878
(b) Other equity	422,323	344,591	326,788	414,360	341,750	326,340
(c) Non-controlling interest	-	-	-	2,636	-	-
	431,201	353,469	335,666	425,874	350,628	335,218
Liabilities						
(1) Non-current liabilities						
(a) Provisions	10,943	9,988	8,051	12,108	10,899	9,045
(b) Deferred tax liability (net)	-	1,630	975	33	1,630	1,008
	10,943	11,618	9,026	12,141	12,529	10,053
(2) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	-	11,305	9,979	-	11,305	9,979
(ii) Trade payables	275,260	162,880	187,388	284,234	165,475	189,988
(iii) Other financial liabilities	6,002	6,969	2,550	6,098	7,035	2,609
(b) Provisions	1,798	1,794	1,538	2,009	2,116	1,621
(c) Other current liabilities	110,036	82,800	35,500	113,904	85,427	36,835
	393,096	265,748	236,955	406,245	271,358	241,032
TOTAL EQUITY AND LIABILITIES	835,240	630,835	581,647	844,260	634,515	586,303





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AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2017

PART III

Segment information for the period ended March 31, 2017

₹ lakh

	Quarter ended 31-03-2017 (Audited) (Refer note 3)	Quarter ended 31-12-2016 (Unaudited) (Refer note 3)	Quarter ended 31-03-2016 (Audited) (Refer note 3)	Year ended 31-03-2017 (Audited) (Refer note 3)	Year ended 31-03-2016 (Audited) (Refer note 3)	Consolidated Year ended 31-03-2017 (Audited)	Consolidated Year ended 31-03-2016 (Audited)
Segment revenues and profit and loss							
a) Sales / Income from segments							
Watches	49,776	50,826	44,907	202,756	197,436	203,551	197,436
Jewellery	286,209	325,500	184,655	1,023,728	872,265	1,034,874	872,265
Eyewear	10,967	9,065	9,700	40,580	37,452	40,580	37,452
Others	1,624	1,738	1,362	6,469	5,465	33,431	26,005
Corporate (unallocated)	123	882	1,706	4,633	5,236	4,629	5,236
Total	348,699	388,011	242,330	1,278,166	1,117,854	1,317,065	1,138,394
b) Profit / (Loss) from segments before finance costs and taxes							
Watches	1,210	5,287	772	13,843	17,065	11,035	15,927
Jewellery	28,240	33,428	20,783	103,872	80,004	99,796	80,004
Eyewear	1,076	(294)	1,339	1,278	2,061	1,278	2,061
Others	(1,680)	(1,028)	(954)	(4,080)	(2,719)	(2,971)	(3,603)
Corporate (unallocated)	(1,375)	(1,889)	(774)	(7,858)	(3,343)	(8,039)	(3,542)
	27,471	35,504	21,166	107,055	93,068	101,099	90,847
Finance costs	823	840	1,037	3,713	4,228	3,774	4,236
Profit before taxes	26,648	34,664	20,129	103,342	88,840	97,325	86,611

₹ lakh

	Quarter ended 31-03-2017 (Audited) (Refer note 3)	Quarter ended 31-12-2016 (Unaudited) (Refer note 3)	Quarter ended 31-03-2016 (Audited) (Refer note 3)	Year ended 31-03-2017 (Audited) (Refer note 3)	Year ended 31-03-2016 (Audited) (Refer note 3)	Year ended 01-04-2015 (Audited)
c) Segment assets and liabilities						
Segment assets						
Watches	123,441	131,280	119,774	123,441	119,774	105,356
Jewellery	455,533	429,442	415,954	455,533	415,954	382,011
Eyewear	22,589	20,229	16,771	22,589	16,771	14,008
Others	4,829	6,011	24,265	4,829	24,265	22,754
Corporate(Unallocated)	228,624	143,336	54,071	228,624	54,071	57,518
Total	835,016	730,298	630,835	835,016	630,835	581,647
Segment liabilities						
Watches	53,335	53,225	41,967	53,335	41,967	40,669
Jewellery	337,966	262,735	213,804	337,966	213,804	187,722
Eyewear	8,693	8,383	6,899	8,693	6,899	4,967
Others	1,780	3,532	169	1,780	169	448
Corporate(Unallocated)	2,265	2,254	12,897	2,265	12,897	11,200
Total	404,039	330,129	275,736	404,039	275,736	245,006





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₹ lakh

	Consolidated Year ended 31-03-2017 (Audited)	Consolidated Year ended 31-03-2016 (Audited)	Consolidated Year ended 01-04-2015 (Audited)
c) Segment assets and liabilities			
Segment assets			
Watches	126,807	121,475	106,168
Jewellery	499,150	415,954	382,011
Eyewear	22,589	16,771	14,008
Others	36,773	51,205	45,865
Corporate(Unallocated)	158,582	28,786	37,886
Total	843,901	634,191	585,938
Segment liabilities			
Watches	53,818	41,995	41,593
Jewellery	343,641	213,804	187,722
Eyewear	8,693	6,899	4,967
Others	32,517	26,695	21,274
Corporate(Unallocated)	(20,316)	(7,136)	(5,479)
Total	418,353	282,257	250,077

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. This Report does not have any impact on the above 'Results and Notes' for period ended March 31, 2017 which needs to be explained.

3 The Honorable High Court of Madras *vide* its order dated February 13, 2017 has approved the scheme of arrangement between Titan Engineering and Automation Limited (transferee), a Wholly Owned Subsidiary of the Company and the Company to transfer all assets and liabilities of Precision Engineering Division (PED) of the Company to the transferee effective April 1, 2015. Consequently, all assets and liabilities of the PED have been transferred to the transferee on the date of transition after giving effect to adjustments as required under Ind AS 101. Profits and losses for all periods from April 1, 2015 are also transferred to the transferee.

4 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 year ended March 31, 2017:

Segment	₹ lakh	
	Current year	Previous year
Watches	20,441	17,065
Jewellery	105,305	80,004
Eyewear	1,687	2,061
Others	(4,080)	(2,719)
	123,353	96,411
Corporate (Unallocated)	(6,661)	(3,343)
	116,692	93,068

5 The Company is structured into four verticals namely Watches, Jewellery, Eyewear and Others where "Others" include Accessories, Fragrances and Sarees. Accordingly, the Company has presented its segment results under these business segments.

6 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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AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2017

7. The following statement provides first-time Ind AS adoption reconciliation that quantifies the significant differences arising on account of transition from previous GAAP to Ind AS and adjustments due to demerger of PED division (refer note 3)

Sl. No.	Nature of adjustments	Note No.	Standalone		Consolidated
			Quarter ended	Year ended	Year ended
			31-03-2016	31-03-2016	31-03-2016
	Profit after tax as reported under previous GAAP		18,443	70,585	68,994
1	Impact due to remeasurement of lease rentals on straight line basis	ii	64	448	449
2	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	(21)	(24)	(16)
3	Impact due to recognition of revenue over the period in which services are rendered	iv	(8)	(39)	(39)
4	Reclassification of actuarial gains/ (losses), arising in respect of employee benefit schemes, to Other Comprehensive Income	vi	573	573	605
5	Fair value of investments	i(c)	-	-	6
6	Impact on account of considering infinite useful life of trademarks	xi	-	-	129
7	Tax adjustments		2,367	(226)	(226)
8	Non-GAAP adjustment with respect to a subsidiary on account of Income-tax		-	-	139
	Total Ind AS adjustments		2,975	732	1,047
	Profit under Ind AS (after tax)		21,418	71,317	70,041
	Other Comprehensive Income (after taxes)				
9	On actuarial gains/ (losses) on employee benefits	vi	(450)	(450)	(480)
10	Exchange losses on translation of foreign operations	x	-	-	(83)
11	Gain/ (loss) arising on changes in fair value of hedging instruments designated as cash flow hedge	viii	(4,343)	(3,421)	(3,421)
	Total other comprehensive income		(4,793)	(3,871)	(3,984)
12	Impact on deferred tax for the year ended March 31, 2016 pursuant to scheme of demerger of PED business (Refer note 3)		(2,375)	(2,375)	(2,589)
13	(Profit)/ loss of PED division transferred to transferee (Refer note 3)		(355)	815	-
	Total comprehensive income as reported under Ind AS		13,895	65,886	63,468

8. Reconciliation of equity between Ind AS and previous Generally Accepted Accounting Principles (GAAP)

Sl. No.	Nature of adjustments	Note No.	Standalone		Consolidated	
			Year ended	Year ended	Year ended	Year ended
			31-03-2016	01-04-2015	31-03-2016	01-04-2015
	Total equity (Shareholder's fund) as reported under Previous GAAP		349,901	309,201	346,915	308,388
1	Impact due to remeasurement of lease rentals on straight line basis	ii	4,813	4,365	4,814	4,365
2	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	(111)	(87)	(103)	(87)
3	Impact of measuring investments at Fair Value through Profit or loss	i(c), i(d)	640	640	646	640
4	Impact due to recognition of revenue over the period in which services are rendered	iv	(126)	(87)	(126)	(87)
5	Impact on account of recognising liability for dividend and tax thereof as and when approved by shareholders	vii	-	24,576	-	24,576
6	Impact on account of considering infinite useful life of trademarks	xi	-	-	129	-
7	Tax adjustments		(1,648)	(2,577)	(1,647)	(2,577)
	Total Ind AS adjustments		3,568	26,830	3,713	26,830
8	Impact on deferred tax as on April 1, 2015 pursuant to scheme of demerger of PED business (Refer note 3)		-	(365)	-	-
	Total equity as reported under Ind AS		353,469	335,666	350,628	335,218

- 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 were 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, current investments were stated at lower of cost or fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit and Loss ("FVTPL") on the date of transition and fair value changes after the date of transition has been recognised in the statement of profit and loss.
- d. 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 investments in subsidiaries, associate and a joint venture) have been classified as FVTPL.



- 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 are 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.
- v Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the balance sheet.
- vi Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.
- vii Under previous GAAP, liability for dividend and dividend distribution tax thereof is recognised in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Under Ind AS, dividend is recognised in the year in which the obligation to pay is established.
- viii Under previous GAAP, gain/ (loss) arising on changes in fair value of hedging instruments designated and effective as hedges of future cash flows is shown as "Hedging Reserve" under Reserves and Surplus. Under Ind AS, the same is recognised as a component of Other Comprehensive Income. Tax effect on the same is also recognised under Other Comprehensive Income.
- ix Under previous GAAP, profit/ (loss), assets and liabilities in the jointly controlled entity, which is not a subsidiary, had been consolidated on a line-by-line basis by adding together the book value of like item of assets, liabilities, incomes and expenses on a proportionate basis to the extent of Group's equity interest in such entity. Under Ind AS, the same is recognised under equity method by adding/reducing group's share of profits /losses to the investment value.
- x Under previous GAAP, in case of integral operations, exchange differences arising out of translation of assets and liabilities, revenue and expenses were charged to the consolidated statement of profit and loss. Under Ind AS, such exchange differences arising out of translations are accumulated in "Foreign Currency Translation Reserve" under Reserves and Surplus.
- xi Under previous GAAP, trademark of a foreign subsidiary was amortised over a period of 10 years. Under Ind AS, useful life is considered infinite.

9. The figures of the previous periods have been regrouped/ recasted, where necessary, to confirm to the current period classification.

10. The figures for the quarters ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures up to the third quarter.

11. The audited standalone financial results of the Company for the period ended March 31, 2017 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on May 12, 2017.

12. The Board of Directors at its meeting held on May 12, 2017, has declared a final dividend of ₹ 2.60 per equity share.

For and on behalf of the Board of Directors




BHASKAR BHAT
Managing Director

Bengaluru, May 12, 2017

