



SEC 08 / 2020-21

08th June 2020

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Dear Sirs,

Sub: Outcome of the Board Meeting in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

The Board at its meeting held today, i.e. Monday, 8th June 2020 transacted, inter alia, the following businesses:

1. Financial Results:

Approved the audited standalone and consolidated financial results for the quarter and year ended 31st March 2020. In this regard, please find enclosed:

- a) Audited Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March 2020.
- b) Auditor's Report in respect of the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March 2020.

2. BSR & Co., LLP, statutory auditors of the Company, have issued audit report with unmodified opinion on the above mentioned results.

3. The Board has recommended a Dividend of ₹ 4.00 per Equity Share of ₹ 1 each of the Company which shall be paid / dispatched on or after the seventh day from the conclusion of the 36th Annual General meeting subject to approval of the shareholders of the Company. Pursuant to the Finance Act, 2020, with effect from 1st April 2020, Dividend Distribution Tax is abolished and dividend income is taxable in the hands of the shareholders. In view of the same, the dividend payments will be subject to deduction of tax at source, as may be applicable.

4. The Board had approved the appointment of Ms. Sindhu Gangadharan as an Additional Director in the capacity of Independent Director for a term of 5 years with effect from 8th June 2020, subject to the approval of shareholders of the Company.

Titan Company Limited

'INTEGRITY' #193 Veerasandra Electronics City P.O. Off Hosur Main Road, Bangalore 560100 India. Tel: 9180 6704 7000 Fax: 9180 6704 6262
Registered Office 3, Sipcot Industrial Complex Hosur 635 126 TN India. Tel-91 4344 664 199 Fax 91 4344 276037, CIN: L74999TZ1984PLC001456
www.titancompany.in

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The Board meeting commenced at 2:15 p.m. and concluded at 6:45 p.m.

The above information is also available on the website of the Company: www.titancompany.in

Kindly acknowledge receipt.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

Dinesh Shetty
General Counsel & Company Secretary



8th June 2020

PRESS RELEASE

Titan Company Ltd reports a growth of 21% in net profit for Q4, FY 2019-20.

Titan Company Ltd announced a decline in income of 5.5% for the fourth quarter of financial year 2020-21 with the total income declining to Rs. 4,469 crores, against last year's income of Rs. 4,727 crores during the same period. The income for the financial year ending March 2020, stands at Rs. 20,156 crores, registering a growth of 4.7% over last year.

The Standalone PBT for Q4 is Rs. 516 crores, against Rs. 465 crores last year, before extraordinary items. The growth in the profit before tax for the quarter, despite the decline in the revenue, was possible due to significant compression of cost in anticipation of the disruption.

The company was impacted significantly in the second half of March 2020 due to the COVID 19 pandemic with the shutting down of all stores. Jewellery business had a good quarter till the lockdown despite high gold prices. However, the lockdown resulted in the division recording an income of Rs. 3,754 crores for the fourth quarter as compared to Rs. 3,986 crores last year, a decline of 5.8%. The income from Watches business recorded an income of Rs. 557 crores against Rs. 531 crores in the previous year, a growth of 4.9%. The Eyewear business also declined by 17.4% in the quarter, recording an income of Rs. 108 crores as against Rs. 130 crores last year. Other segments of the Company comprising Indian dress wear and accessories recorded an income of Rs. 41 crores compared to Rs. 37 crores in the previous year, a growth of 12.5%. The Jewellery division, with the revenue of Rs 16,738 crores for the financial year and a growth of 4.4%, continues to do well relative to the market. The Watches business with the revenue of Rs 2,615 crores for the year grew at 7.2%. The Eyewear business achieved revenue of Rs 544 crores for the year, a growth of 6.4%.

The Company's retail chain stands at 1819 stores, as on 31st March 2020 with a retail area crossing 2.3 million sq.ft. nationally for all its brands.

Mr. C K Venkataraman, Managing Director of the Company stated that "The Company's good performance across all its divisions in the first two months of the quarter was negated considerably by the COVID 19 pandemic in the second half of March. With the safety of its customers and employees in mind, the company opted to shut its stores even before the lockdown was officially implemented. Our stores are now opening up with strict social distancing norms across the country, other than in containment zones, and response from customers over the last few weeks have been very encouraging. The Company's strong brand equity and Balance Sheet along with numerous measures to eliminate wasteful expenditure is expected to help it prevail over the near term challenges."

S. Subramaniam
Chief Financial Officer

Titan Company Limited

'INTEGRITY' No.193, Veerasandra, Electronics City P.O Off Hosur Main Road, Bengaluru - 560 100 India, Tel : 91 80 - 67047000, Fax : 91 80 - 67046262
Registered Office No.3, SIPCOT Industrial Complex Hosur 635 126 TN India, Tel 91 4344 664 199, Fax 91 4344 276037, CIN: L74999TZ1984PLC001456
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B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
Off Intermediate Ring Road
Bengaluru 560 071 India

Telephone +91 80 4682 3000
Fax +91 80 4682 3999

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Titan Company Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Titan Company Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

Management's and Board of Directors' Responsibilities for the standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.



B S R & Co. (a partnership firm with
Registration No. BAA1223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8131)
with effect from October 14, 2013

Registered Office:
5th Floor, Ldha Excelus
Apollo Mills Compound
N M Joshi Marg, Mahalaxmi
Mumbai 400 011

Titan Company Limited
Independent Auditor's Report (continued)

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results (continued)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion.



B S R & Co. LLP

Titan Company Limited
Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (continued)

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

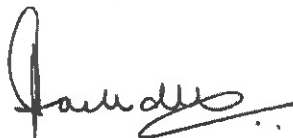
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022



Supreet Sachdev
Partner
Membership No: 205385
ICAI UDIN: 20205385AAAAAT6045

Place: Bengaluru
Date: 8 June 2020



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

₹ in lakhs

PART I

Particulars	3 months ended			Year ended	
	31-03-2020 (Audited) ⁹	31-12-2019 (Unaudited)	31-03-2019 (Audited) ⁹	31-03-2020 (Audited)	31-03-2019 (Audited)
I. Revenue from operations					
- Sale of products/ services	437,010	610,596	463,093	1,973,226	1,888,534
- Other operating revenue	5,865	10,027	4,113	27,738	18,463
II. Other income	4,009	1,966	5,512	14,641	17,850
III. Total income (I +II)	446,884	622,589	472,718	2,015,605	1,924,847
IV. Expenses:					
Cost of materials and components consumed	288,071	272,420	344,126	1,248,905	1,182,204
Purchase of stock-in-trade	56,882	78,283	51,800	285,857	282,892
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(35,174)	115,571	(55,883)	(83,581)	(66,378)
Employee benefits expense	24,401	28,505	25,223	104,012	87,879
Finance costs	3,794	4,049	1,222	14,948	4,445
Depreciation and amortisation expense	9,017	7,770	3,347	30,969	13,889
Advertising	7,594	14,124	11,252	47,665	52,260
Other expenses	40,736	38,160	45,131	156,333	167,919
IV. Total expenses	395,321	558,882	426,218	1,805,108	1,725,110
V. Profit before exceptional item and tax (III - IV)	51,563	63,707	46,500	210,497	199,737
VI. Exceptional item (Refer note 6)	-	-	7,000	-	7,000
VII. Profit before tax (V - VI)	51,563	63,707	39,500	210,497	192,737
VIII. Tax expense:					
Current tax	15,292	15,903	15,488	55,184	60,201
Deferred tax	592	809	(5,446)	3,550	(4,900)
VIII. Total tax	15,884	16,712	10,042	58,734	55,301
IX. Profit for the period (VII-VIII)	35,679	46,995	29,458	151,763	137,436
X. Other comprehensive income					
(i) Items that will not be reclassified to the statement of profit and loss					
- Remeasurement of employee defined benefit plan	(195)	(2,578)	(28)	(6,898)	(2,587)
- Income-tax on (i) above	77	651	42	1,759	792
(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	(15,183)	(12,413)	4,859	(25,523)	4,498
- income-tax on (ii) above	4,122	3,103	(1,356)	6,806	(1,230)
X. Total other comprehensive income	(11,179)	(11,237)	3,517	(23,856)	1,473
XI. Total comprehensive income (IX+X)	24,500	35,758	32,975	127,907	138,909
XII. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878	8,878
XIII. Other equity:				673,608	609,294
XIV. Net worth: (refer note 13)				682,486	618,172
XV. Debt: (refer note 13)				62,622	-
XVI. Earnings per equity share of ₹ 1: {based on net profit for the period (IX)}					
Basic and diluted (not annualised)	4.01	5.29	3.32	17.09	15.48
XVII. Debt equity ratio: (refer note 13)				0.09	-
XVIII. Interest service coverage ratio: (refer note 13)				143.04	-
XIX. Debt service coverage ratio: (refer note 13)				3.31	-

See accompanying notes to the standalone audited financial results





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

BALANCE SHEET

₹ in lakhs

Particulars	As at 31-03-2020 (Audited)	As at 31-03-2019 (Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	109,454	100,704
(b) Capital work-in-progress	1,072	2,511
(c) Right-of-use assets	87,038	-
(d) Investment property	2,402	2,402
(e) Intangible assets	6,453	3,829
(f) Intangible assets under development	306	52
(g) Financial assets		
(i) Investments	90,910	80,670
(ii) Loans receivables	14,059	11,897
(iii) Other financial assets	15,850	704
(h) Deferred tax assets (net)	17,209	8,476
(i) Income tax assets (net)	14,069	12,068
(j) Other non-current assets	6,490	15,143
	365,312	238,456
(2) Current assets		
(a) Inventories	774,062	671,918
(b) Financial assets		
(i) Investments	7,401	6,922
(ii) Trade receivables	21,444	35,823
(iii) Cash and cash equivalents	5,046	36,405
(iv) Bank balances other than (iii) above	30,554	63,695
(v) Loans receivables	5,435	24,404
(vi) Other financial assets	45,831	9,896
(c) Other current assets	63,710	59,463
	953,483	908,526
TOTAL ASSETS	1,318,795	1,146,982
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,878	8,878
(b) Other equity	673,608	609,294
TOTAL EQUITY	682,486	618,172
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	96,675	-
(b) Provisions	15,246	11,885
	111,921	11,885
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	62,622	-
(ii) Gold on loan	150,695	228,763
(iii) Lease liabilities	16,945	-
(iv) Trade payables		
- Total outstanding dues of micro and small enterprises	6,328	1,483
- Total outstanding dues of creditors other than micro and small enterprises	44,666	75,751
(v) Other financial liabilities	19,091	21,401
(b) Other current liabilities	212,328	182,842
(c) Provisions	10,862	5,834
(d) Current tax liabilities (net)	851	851
	524,388	516,925
TOTAL EQUITY AND LIABILITIES	1,318,795	1,146,982

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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE AUDITED CASH FLOWS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

₹ in lakhs

Particulars	Year ended	
	31-03-2020 (Audited)	31-03-2019 (Audited)
A. Cash flow from operating activities		
Net profit before tax	210,497	192,737
Adjustments for :		
- Depreciation and amortisation expense	30,969	13,889
- Net unrealised exchange gain	(292)	(173)
- (Gain)/ loss on sale/ disposal/ scrapping of property, plant and equipment (net)	(315)	422
- Provision for doubtful trade receivables (net) and bad trade	215	(140)
- Interest income	(9,456)	(10,278)
- Gain on investments carried at fair value through profit and loss	(3,128)	(4,459)
- Impairment of investment in subsidiary/Inter-corporate deposits (ICDs)	-	21,500
- Gain on pre-closure of lease contracts	(864)	-
- Finance costs	14,948	4,445
Operating profit before working capital changes	242,574	217,943
Adjustments for :		
- (increase)/ decrease in trade receivables	14,369	(16,384)
- (increase)/ decrease in inventories	(102,113)	(96,998)
- (increase)/ decrease in financial assets-loans receivables	(1,613)	(2,147)
- (increase)/ decrease in other financial assets	(34,112)	515
- (increase)/ decrease in other assets	5,312	(27,347)
- (increase)/ decrease in other bank balances	42	(390)
- increase/ (decrease) in gold on loan	(78,068)	68,377
- increase/ (decrease) in trade payables	(26,297)	(1,398)
- increase/ (decrease) in other financial liabilities	(28,157)	861
- increase/ (decrease) in other current liabilities	29,486	41,432
- increase/ (decrease) in provisions	3,481	2,613
Cash generated from operating activities before taxes	24,904	187,077
- Direct taxes paid	(53,717)	(62,178)
Net cash (used in)/ generated from operating activities (A)	(28,813)	124,899
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and investment property	(31,046)	(22,647)
Proceeds from sale of property, plant and equipment	803	103
Purchase of investments in subsidiaries, joint venture and other equity instruments	(10,093)	(14,959)
Loan given to subsidiary	(195)	-
Proceeds from sale of investment in subsidiaries	-	1,850
Inter-corporate deposits placed	(10,000)	(91,000)
Proceeds from inter-corporate deposits	30,000	79,500
Bank deposits matured/ placed, net	33,099	(48,721)
Purchase/ sale of mutual funds, net	2,649	(3,649)
Lease payments received from sub-lease	2,117	-
Interest received	6,891	8,395
Net cash from/ (used in) investing activities (B)	24,225	(91,128)
C. Cash flow from financing activities		
Proceeds /(repayment) from borrowings, net	62,622	-
Dividends paid (including dividend distribution tax)	(53,555)	(39,738)
Payment of lease liabilities	(20,895)	-
Finance costs paid	(14,948)	(4,445)
Net cash used in financing activities (C)	(26,776)	(44,183)
Net decrease in cash and cash equivalents during the year (A+B+C)	(31,364)	(10,412)
Cash and cash equivalents (opening balance)	36,405	46,644
Add/ (Less): Unrealised exchange (gain)/ loss	5	173
Cash and cash equivalents (closing balance)	5,046	36,405
Debt reconciliation statement in accordance with Ind AS 7		
Current borrowings		
Opening balance	-	-
(Repayment) of / proceeds from borrowings, net	62,622	-
Closing balance	62,622	-

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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

SEGMENT INFORMATION (Refer note 8)

₹ in lakhs

Particulars	3 months ended			Year ended	
	31-03-2020 (Audited) ⁹	31-12-2019 (Unaudited)	31-03-2019 (Audited) ⁹	31-03-2020 (Audited)	31-03-2019 (Audited)
Segment revenues and profit and loss					
a) Sales / Income from segments					
Watches	55,683	62,533	53,105	261,549	244,093
Jewellery	375,435	540,866	398,550	1,673,822	1,602,958
Eyewear	10,771	13,330	13,035	54,401	51,141
Others	4,149	4,937	3,689	17,111	13,343
Corporate (unallocated)	846	923	4,339	8,722	13,312
Total	446,884	622,589	472,718	2,015,605	1,924,847
b) Profit / (Loss) from segments before finance costs and taxes					
Watches	7,218	5,212	2,895	36,531	31,638
Jewellery	53,388	70,130	51,212	206,132	194,800
Eyewear	181	(670)	(166)	(1,433)	(238)
Others	(2,088)	(918)	(1,712)	(5,841)	(5,811)
Corporate (unallocated)	(3,342)	(5,998)	(11,507)	(9,944)	(23,207)
	55,357	67,756	40,722	225,445	197,182
Finance costs	3,794	4,049	1,222	14,948	4,445
Profit before taxes	51,563	63,707	39,500	210,497	192,737
c) Segment assets and liabilities					
Segment assets					
Watches	214,345	204,926	150,204	214,345	150,204
Jewellery	822,448	746,851	674,225	822,448	674,225
Eyewear	49,517	50,500	39,447	49,517	39,447
Others	21,737	22,071	10,656	21,737	10,656
Corporate (unallocated)	210,748	208,696	272,450	210,748	272,450
Total	1,318,795	1,233,044	1,146,982	1,318,795	1,146,982
Segment liabilities					
Watches	77,500	80,143	45,348	77,500	45,348
Jewellery	444,966	444,729	457,048	444,966	457,048
Eyewear	23,371	25,599	12,705	23,371	12,705
Others	9,072	7,148	2,514	9,072	2,514
Corporate (unallocated)	81,400	17,453	11,195	81,400	11,195
Total	636,309	575,072	528,810	636,309	528,810





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

Notes:

- The 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.
- Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to its lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Accordingly the Company has not restated the comparative information. The cumulative effect of application of the standard has reduced the retained earnings by ₹ 10,081 lakhs, net of taxes. The implementation of Ind AS 116 resulted in lower Profit before tax by ₹ 392 lakhs for the quarter ended 31 December 2019, higher Profit before tax by ₹ 550 lakhs for the quarter ended 31 March 2020 and lower Profit before tax by ₹ 461 lakhs for the year ended 31 March 2020 on account of higher interest cost and depreciation which was offset by reduction in rent expenses and other income on pre-closure of contracts. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the "Right-of-Use" asset and finance cost for interest accrued on "Lease liability".
- During the quarter ended 30 September 2019, the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the quarters ended 31 December 2019, 31 March 2020 and for the year ended 31 March 2020 and computed deferred tax based on the rate prescribed in the said section. The full impact of this change has been recognised in the statement of profit and loss for the quarter ended 30 September 2019.
- During the year ended 31 March 2020, the Company incorporated Titan Holdings International FZCO ("Titan Holdings") as a subsidiary in October 2019 and Titan Holdings incorporated a subsidiary, Titan Global Retail L.L.C ("Titan Global") in December 2019, both based out of Dubai.
- During the quarter ended 31 December 2019, the Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Company. Accordingly, the Company has accrued ₹ 2,568 lakhs based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss for the year ended 31 March 2020.
- Exceptional item includes provision for impairment of investment in a subsidiary (Favre Leuba AG, Switzerland) made for the year ended 31 March 2019 amounting to ₹ 7,000 lakhs.

Profit / (loss) from segments before exceptional items, finance costs and taxes are as below for the year ended 31 March 2019:
₹ in lakhs

Segment	Year ended 31-03-2019 (Audited)
Watches	31,638
Jewellery	194,800
Eyewear	(238)
Others	(5,811)
	220,389
Corporate (Unallocated)	(16,207)
	204,182

- The Company disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Company has recognised profit on sale of investment amounting to ₹ 487 lakhs under the head "Other income" during the year ended 31 March 2019.
- 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.
- The above results of the Company have been audited by the statutory auditors and have issued an unqualified audit opinion on the same. The figure for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.
- During the previous year, the Company, as part of its Treasury operations, invested in intercorporate deposit aggregating ₹ 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group), which were due for maturity in November 2018 and December 2018. The aforesaid amounts and the interest thereon have however not been received as on date. As a result of increased credit risk in relation to outstanding balances from IL&FS Group and the uncertainty prevailing on IL&FS Group due to the proceedings pending with the NCLT, Management has provided for full amount of ₹ 14,500 lakhs for impairment in value of deposit for the year ended 31 March 2019 (₹ 4,600 lakhs for the quarter ended 31 March 2019). The provision currently reflects the exposure that may arise given the uncertainty. The Company, however, continues to monitor developments in this matter and the necessary actions are being taken in this regard.





TITAN COMPANY LIMITED

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- 11 Subsequent to the balance sheet date, the Company has issued ₹ 100,000 lakhs of commercial papers with a tenure of 3 months. Out of these ₹ 50,000 lakhs issued at a interest rate of 4.42% per annum which is due for maturity on 30 July 2020 and ₹ 50,000 lakhs is issued at a interest rate of 4.10% per annum which is due for maturity on 18 August 2020. As per the requirement of SEBI Circular dated October 22, 2019 and subsequent amendments thereof, the Company has listed its commercial papers on the National Stock Exchange (NSE) with effect from date of placement and disclosed the information as required under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable.
- 12 The Company has been assigned the highest credit rating of "ICRA A1+" and "BRICKWORKS A1+" for the commercial papers.
- 13 Formulae for computation are as follows
- (a) Debt Equity Ratio = Debt / Net worth
[Debt = Current borrowings (excluding gold on loan)]
[Net worth = Equity share capital + Other equity]
- (b) Interest Service Coverage Ratio = Profit before tax and finance cost* / finance cost for the period*
*finance cost includes only interest paid on debt excluding interest expense on gold on loan
- (c) Debt Service Coverage Ratio = Profit before tax and finance cost* / (finance cost for the period* + current borrowings + current maturities of long term debt)
- 14 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company's operations were impacted from 17 March 2020 till the first week of May 2020 as all its stores, factories and offices were closed. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results. As on date, all the factories are open and significant part of stores have also opened and others are in the process of reopening.
- 15 The audited financial results of the Company for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 8 June 2020.
- 16 The Board of Directors at its meeting held on 8 June 2020, has proposed a final dividend of ₹ 4 per equity share. The same is subject to shareholders' approval in the Annual General Meeting.

Place: Bengaluru
Date: 8 June 2020

for and on behalf of the Board of Directors

C K Venkataraman
Managing Director



B S R & Co. LLP

Chartered Accountants

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Pebble Beach, B Block, 3rd Floor
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Bengaluru 560 071 India

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Titan Company Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Titan Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:

Entity	Relationship
Titan Company Limited	Parent
Titan Engineering & Automation Limited	Subsidiary
Caratlane Trading Private Limited (formerly Carat Lane Trading Private Limited)	Subsidiary
Favre Leuba AG, Switzerland	Subsidiary
Titan Holdings International FZCO, Dubai	Subsidiary (Incorporated on 15 October 2019)
Titan TimeProducts Limited	Subsidiary (Till 18 June 2018)
Titan Global Retail L.L.C., Dubai	Subsidiary of Titan Holdings International FZCO, Dubai (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

- b. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

B S R & Co. (a partnership firm with
Registration No. BA612231) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-81811)
with effect from October 14, 2013

Registered Office:
5th Floor, Laxmi Exklus
Apoorva Mills, Compound
N M Joshi Marg, Mahalaxmi
Mumbai 400 011

Titan Company Limited
Independent Auditors' report (continued)

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, its associate and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associate and its joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group, of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of each company.



B S R & Co. LLP

Titan Company Limited
Independent Auditors' report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate and joint venture to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



B S R & Co. LLP

Titan Company Limited
Independent Auditors' report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

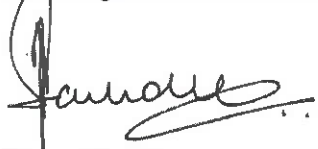
Other Matter

- (a) The consolidated annual financial results include the Group's share of net loss of INR 457 lakhs for the year ended 31 March 2020, as considered in the consolidated annual financial results, in respect of one joint venture. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the joint venture is based solely on such annual financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the financial results certified by the Board of Directors.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022



Supreet Sachdev
Partner
Membership No: 205385
ICAI UDIN: 20205385AAAAAV9487

Place: Bengaluru
Date: 8 June 2020



TITAN COMPANY LIMITED

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

PART I

₹ in lakhs

Particulars	3 months ended			Year ended	
	31-03-2020 (Audited) ¹⁰	31-12-2019 (Unaudited)	31-03-2019 (Audited) ¹⁰	31-03-2020 (Audited)	31-03-2019 (Audited)
I. Revenue from operations					
- Sale of products/ services	461,731	645,438	482,349	2,076,770	1,959,206
- Other operating revenues	9,419	7,278	6,528	28,384	18,646
II. Other income	4,171	2,269	5,629	15,323	18,294
III. Total income (I + II)	475,321	655,005	494,506	2,120,477	1,996,146
IV. Expenses:					
Cost of materials and components consumed	301,334	287,887	359,209	1,304,234	1,223,063
Purchase of stock-in-trade	59,705	81,053	54,914	299,080	294,003
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(33,247)	117,250	(61,552)	(87,807)	(77,641)
Employee benefits expense	28,473	32,674	28,653	119,942	101,927
Finance costs	4,274	4,472	1,249	16,617	5,254
Depreciation and amortisation expense	10,208	8,773	4,084	34,796	16,284
Advertising	9,713	16,794	13,827	55,970	59,920
Other expenses	43,927	41,237	48,974	167,077	177,431
IV. Total expenses	424,387	590,140	449,360	1,909,909	1,800,241
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)	50,934	64,865	45,146	210,568	195,905
VI. Share of profit/(loss) of:					
- Associate	11	(13)	(2)	54	7
- Joint Venture	(20)	(28)	9	(457)	(223)
VII. Profit before exceptional item and tax (V - VI)	50,925	64,824	45,153	210,165	195,689
VIII. Exceptional item	-	-	-	-	-
IX. Profit before tax (VII - VIII)	50,925	64,824	45,153	210,165	195,689
X. Tax expense:					
Current tax	15,885	16,493	15,915	57,020	61,750
Deferred tax	733	911	(5,592)	3,879	(4,926)
X. Total tax	16,618	17,404	10,323	60,899	56,824
XI. Profit for the year (IX-X)	34,307	47,420	34,830	149,266	138,865
XII. Other comprehensive income					
(i) Items that will not be reclassified to the statement of profit and loss					
- Remeasurement of employee defined benefit plans	(209)	(2,548)	(110)	(7,312)	(2,857)
- Income-tax on (i) above	105	653	26	1,863	836
(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	(15,183)	(12,413)	4,859	(25,523)	4,498
- Exchange differences in translating the financial statements of foreign operations	330	224	(170)	744	(5)
- income-tax on (ii) above	4,122	3,103	(1,356)	6,806	(1,230)
XII. Total other comprehensive income	(10,835)	(10,981)	3,249	(23,422)	1,242
XIII. Total comprehensive income (XI+XII)	23,472	36,439	38,079	125,844	140,107
Profit for the period attributable to:					
- Owners of the Company	34,625	47,462	35,359	150,139	140,415
- Non-controlling interest	(318)	(42)	(529)	(873)	(1,550)
Other comprehensive income for the period attributable to:					
- Owners of the Company	(10,839)	(10,989)	3,266	(23,412)	1,259
- Non-controlling interest	4	8	(17)	(10)	(17)
Total comprehensive income for the period attributable to:					
- Owners of the Company	23,786	36,473	38,625	126,727	141,674
- Non-controlling interest	(314)	(34)	(546)	(883)	(1,567)
	23,472	36,439	38,079	125,844	140,107
XIV. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878	8,878
XV. Other equity:				657,997	598,137
XVI. Net worth: (refer note 14)				666,875	607,015
XVII. Debt: (refer note 14)				73,348	4,008
XVIII. Earnings per equity share of ₹ 1: (based on net profit for the period (XI))					
Basic and diluted (not annualised)	3.90	5.35	3.98	16.91	15.82
XIX. Debt Equity ratio: (refer note 14)				0.11	0.01
XX. Interest service coverage ratio: (refer note 14)				91.39	184.06
XXI. Debt service coverage ratio: (refer note 14)				2.87	103.01

See accompanying notes to the consolidated financial results

AK





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

BALANCE SHEET

₹ in lakhs

Particulars	As at 31-03-2020 (Audited)	As at 31-03-2019 (Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	128,526	118,231
(b) Capital work-in-progress	1,152	2,895
(c) Right-of-use asset	93,486	-
(d) Investment property	2,402	2,402
(e) Goodwill	12,301	12,301
(f) Other intangible assets	26,628	23,729
(g) Intangible assets under development	672	282
(h) Financial assets		
(i) Investments	4,436	3,920
(ii) Loans receivables	15,350	12,913
(iii) Other financial assets	19,870	812
(i) Deferred tax asset (net)	15,900	7,418
(j) Income tax assets (net)	14,370	12,171
(k) Other non-current assets	7,856	15,721
	342,949	212,795
(2) Current assets		
(a) Inventories	810,298	703,882
(b) Financial assets		
(i) Investments	11,357	6,922
(ii) Trade receivables	31,155	42,045
(iii) Cash and cash equivalents	7,549	42,953
(iv) Bank balances other than (iii) above	30,564	63,695
(v) Loans receivables	5,610	24,660
(vi) Other financial assets	45,906	9,898
(c) Other current assets	69,591	64,675
	1,012,030	958,730
TOTAL ASSETS	1,354,979	1,171,525
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,878	8,878
(b) Other equity	657,997	598,137
Equity attributable to the equity holders of the Company	666,875	607,015
Non-controlling interest	440	1,408
Total Equity	667,315	608,423
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,697	3,167
(ii) Lease liabilities	105,629	-
(iii) Other financial liabilities	452	133
(b) Provisions	16,612	13,068
(c) Deferred tax liability (net)	619	541
	125,009	16,909
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	70,590	8
(ii) Gold on loan	158,455	235,290
(iii) Lease liabilities	18,668	-
(iv) Trade payables		
- Total outstanding dues of micro and small enterprises	6,823	1,573
- Total outstanding dues of creditors other than micro and small enterprises	52,848	89,025
(iv) Other financial liabilities	21,879	23,843
(b) Other current liabilities	220,571	188,950
(c) Provisions	11,970	6,534
(d) Current tax liabilities (net)	851	970
	562,655	546,193
TOTAL EQUITY AND LIABILITIES	1,354,979	1,171,525

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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Year ended	
	31-03-2020 (Audited)	31-03-2019 (Audited)
A. Cash flow from operating activities		
Net profit before tax	210,165	195,689
Adjustments for :		
- Depreciation and amortisation expense	34,796	16,284
- Net unrealised exchange gain/loss	(74)	(144)
- Share of profit/(loss) of the associate and joint venture	403	216
- Employee stock compensation expense	41	107
- Loss on sale/ disposal/ scrapping of property, plant and equipment (net)	(286)	446
- Provision for doubtful trade receivables (net) and bad trade receivables written off	393	729
- Interest income	(9,843)	(10,369)
- Gain on investments carried at fair value through profit and loss	(3,174)	(4,459)
- Impairment of investment in inter-corporate deposits	-	14,500
- Gain on pre-closure of lease contracts	(864)	-
- Finance costs	16,617	5,254
Operating profit before working capital changes	248,174	218,253
Adjustments for :		
- (increase)/ decrease in trade receivables	10,942	(13,908)
- (increase)/ decrease in inventories	(105,713)	(111,986)
- (increase)/ decrease in financial assets-loans receivable	(2,002)	(2,351)
- (increase)/ decrease in other financial assets	(33,624)	(1,153)
- (increase)/ decrease in other assets	3,571	(27,621)
- (increase)/ decrease in other bank balances	42	(390)
- increase/ (decrease) in gold on loan	(76,835)	74,088
- increase/ (decrease) in trade payables	(30,997)	3,232
- increase/ (decrease) in other financial liabilities	(27,952)	2,093
- increase/ (decrease) in other liabilities	31,621	44,642
- increase/ (decrease) in provisions	3,798	2,997
Cash generated from operating activities before taxes	21,025	187,896
- Direct taxes paid	(55,766)	(63,604)
Net cash (used in)/ generated from operating activities (A)	(34,741)	124,292
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and investment property	(35,502)	(26,472)
Proceeds from sale of property, plant and equipment	945	137
Inter-corporate deposits placed	(10,000)	(91,000)
Proceeds from inter-corporate deposits	30,000	79,500
Bank deposits placed, net	33,089	(48,719)
Purchase of investments in subsidiaries, joint venture and other equity instruments	(3,874)	-
Purchases of mutual funds, net	(1,260)	(3,587)
Proceeds from sale of investment in subsidiaries net of related expenses and cash	-	1,821
Lease payments received from sub-lease	2,823	-
Interest received	7,278	8,486
Net cash from/ (used in) investing activities (B)	23,499	(79,834)
C. Cash flow from financing activities		
Proceeds /(repayment) from borrowings, net	69,340	(3,891)
Dividends paid including dividend distribution tax	(53,557)	(39,738)
Payment of lease liabilities	(23,333)	-
Finance costs paid	(16,617)	(5,254)
Net cash used in financing activities (C)	(24,167)	(48,883)
Net decrease in cash and cash equivalents during the year (A+B+C)	(35,409)	(4,425)
Cash and cash equivalents (opening balance)	42,953	47,205
Add/ (Less): Unrealised exchange (gain)/ loss	5	173
Cash and cash equivalents (closing balance)	7,549	42,953
Debt reconciliation statement in accordance with Ind AS 7		
Current borrowings		
Opening balance	8	7,899
Proceeds /(repayment) from borrowings, net	70,582	(7,891)
Closing balance	70,590	8
Non current borrowings and current maturities of long term borrowings		
Opening balance	4,000	-
Proceeds /(repayment) from borrowings, net	(1,242)	4,000
Closing balance	2,758	4,000

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TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

SEGMENT INFORMATION (Refer note 9)

₹ in lakhs

Particulars	3 months ended			Year ended	
	31-03-2020 (Audited) ¹⁰	31-12-2019 (Unaudited)	31-03-2019 (Audited) ¹⁰	31-03-2020 (Audited)	31-03-2019 (Audited)
Segment revenues and profit and loss					
a) Sales / Income from segments					
Watches	55,826	62,723	53,119	262,173	244,749
Jewellery	389,930	560,579	410,537	1,731,916	1,639,006
Eyewear	10,771	13,330	12,773	54,401	50,879
Others	18,123	17,483	13,873	63,473	48,335
Corporate (unallocated)	671	890	4,203	8,514	13,177
Total	475,321	655,005	494,506	2,120,477	1,996,146
b) Profit / (Loss) from segments before finance costs and taxes					
Watches	5,427	3,902	1,233	31,613	26,675
Jewellery	53,006	70,435	49,894	205,078	190,804
Eyewear	181	(570)	(449)	(1,433)	(238)
Others	(32)	1,668	224	1,903	125
Corporate (unallocated)	(3,383)	(6,039)	(4,500)	(10,379)	(16,423)
	55,199	69,296	46,402	226,782	200,943
Finance costs	4,274	4,472	1,249	16,617	5,254
Profit before taxes including share from Associate and Joint Venture.	50,925	64,824	45,153	210,165	195,689
c) Segment assets and liabilities					
Segment assets					
Watches	221,750	213,175	155,956	221,750	155,956
Jewellery	890,371	810,651	731,507	890,371	731,507
Eyewear	49,517	50,500	39,447	49,517	39,447
Others	71,030	68,294	50,226	71,030	50,226
Corporate(Unallocated)	122,311	121,830	194,389	122,311	194,389
Total	1,354,979	1,264,450	1,171,525	1,354,979	1,171,525
Segment liabilities					
Watches	78,280	81,538	46,462	78,280	46,462
Jewellery	481,104	475,912	479,574	481,104	479,574
Eyewear	23,371	25,599	12,705	23,371	12,705
Others	24,163	20,124	13,166	24,163	13,166
Corporate(Unallocated)	80,746	17,453	11,195	80,746	11,195
Total	687,664	620,626	563,102	687,664	563,102

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Notes:

- 1 Standalone audited financial results for the quarter and year ended 31 March 2020 can be viewed on the website of the Company, National Stock Exchange of India Limited (NSE) and BSE Ltd. Information of standalone audited 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:

Particulars	3 months ended			Year ended	
	31-03-2020 (Audited) ¹⁰	31-12-2019 (Unaudited)	31-03-2019 (Audited) ¹⁰	31-03-2020 (Audited)	31-03-2019 (Audited)
Revenue from operations	442,875	620,623	467,206	2,000,964	1,906,997
Profit before tax	51,563	63,707	39,500	210,497	192,737
Net profit for the period (after tax)	35,679	46,995	29,458	151,763	137,436
Total comprehensive income	24,500	35,758	32,975	127,907	138,909

₹ in lakhs

- 2 The consolidated 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 Effective 1 April 2019, the Group adopted Ind AS 116 "Leases", applied to its lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Accordingly the Group has not restated the comparative information. The cumulative effect of application of the standard has reduced the retained earnings by ₹ 10,384 lakhs, net of taxes. The implementation of Ind AS 116 resulted in lower Profit before tax by ₹ 574 lakhs and ₹ 663 lakhs for the quarters ended 31 December 2019 and 31 March 2020 respectively and ₹ 1,546 lakhs for the year ended 31 March 2020 on account of higher interest cost and depreciation which was offset by reduction in rent expenses. In the consolidated statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the "Right-of-Use" asset and finance cost for interest accrued on "Lease liability".

- 4 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 TimeProducts Limited (till 18 June 2018)

Titan Watch Company Limited, Hong Kong

(100% Subsidiary of Favre Leuba A G)

Jointly controlled entity

Montblanc India Retail Private Limited

Associate Company

Green Infra Wind Power Theni Limited

- 5 During the quarter ended 30 September 2019, the Standalone Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 ("the Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Standalone Company has recognised provision for income tax for the quarters ended 31 December 2019, 30 September 2019 and for the nine months ended 31 December 2019 and computed deferred tax based on the rate prescribed in the said section. The full impact of this change has been recognised in the statement of profit and loss for the quarter ended 30 September 2019. After evaluation, the subsidiaries opted not to exercise option permitted under section 115BAA for the year ending 31 March 2020.

- 6 During the year, the Group incorporated Titan Holdings International FZCO ("Titan Holdings") as a subsidiary in October 2019 and Titan Holdings incorporated a subsidiary, Titan Global Retail L.L.C ("Titan Global") in December 2019, both based out of Dubai. Both the entities are consolidated for the quarters ended 31 December 2019 and 31 March 2020 and for the year ended 31 March 2020.

- 7 During the quarter ended 31 December 2019, the Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Group. Accordingly, the Group has accrued ₹ 2,568 lakhs based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss for the year ended 31 March 2020.

- 8 The Group disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Group has recognised profit on sale of investment amounting to ₹ 487 lakhs under the head "Other income" during nine months ended 31 December 2018 and year ended 31 March 2019.

- 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 The above results of the Group have been audited by the statutory auditors and have issued an unqualified audit opinion on the same. The figure for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

- 11 During the previous year, the Group, as part of its Treasury operations, invested in intercorporate deposit aggregating ₹ 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group), which were due for maturity in November 2018 and December 2018. The aforesaid amounts and the interest thereon have however not been received as on date. As a result of increased credit risk in relation to outstanding balances from IL&FS Group and the uncertainty prevailing on IL&FS Group due to the proceedings pending with the NCLT, Management has provided for full amount of ₹ 14,500 lakhs for impairment in value of deposit for the year ended 31 March 2019 (₹ 4,600 lakhs for the quarter ended 31 March 2020). The provision currently reflects the exposure that may arise given the uncertainty. The Group, however, continues to monitor developments in this matter and the necessary actions are being taken in this regard.

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12 As of 31 March 2020 Caratlane Trading Private Limited has issued ₹ 5,000 lakhs of commercial papers with a tenure of 3 months at interest rate of 5.9% per annum which are due for maturity on 12 June 2020. As per the SEBI circular requirement dated October 22, 2019 and subsequent amendments thereof, the Group has listed its outstanding commercial papers (CPs) with the Bombay Stock Exchange (BSE).

Subsequent to the balance sheet date the Company has issued ₹ 100,000 lakhs of commercial papers with a tenure of 3 months. Out of these ₹ 50,000 lakhs issued at a interest rate of 4.42% per annum which is due for maturity on 30 July 2020 and ₹ 50,000 lakhs is issued at a interest rate 4.10% per annum which is due for maturity on 18 August 2020. As per the requirement of SEBI Circular dated October 22, 2019 and subsequent amendments thereof, the Company has listed its commercial papers on the National Stock Exchange (NSE) with effect from date of placement and disclosed the information as required under Regulation 52(4) of the SEBI Regulations, wherever applicable.

13 The Company has been assigned the highest credit rating of "ICRA A1+" and "BRICKWORKS A1+" for the commercial papers.

14 Formulae for computation are as follows

(a) Debt Equity Ratio = Debt / Net worth

[Debt = Current borrowings (excluding gold on loan) + Non current borrowings + current maturities of long term debt]

[Net worth = Equity share capital + Other equity]

(b) Interest Service Coverage Ratio = Profit before tax and finance cost* / finance cost for the period*

*finance cost includes only interest paid on debt excluding interest expense on gold on loan

(c) Debt Service Coverage Ratio = Profit before tax and finance cost* / (finance cost for the period* + current borrowings + current maturities of long term debt)

15 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group's operations were impacted from 17 March 2020 till the first week of May 2020 as all its stores, factories and offices were closed. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results of the Group. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information. The Group has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these financial results. As on date, all the factories are open and significant part of stores have also opened and others are in the process of reopening.

16 The consolidated audited financial results of the Group for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 8 June 2020.

17 The Board of Directors at its meeting held on 8 June 2020, has proposed a final dividend of ₹ 4 per equity share. The same is subject to shareholders' approval in the Annual General Meeting.

Place: Bengaluru
Date: 8 June 2020

for and on behalf of the Board of Directors

C K Venkataraman
Managing Director

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