

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
TITAN COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **TITAN COMPANY LIMITED** ("the Company") for the quarter and six months ended 30 September 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/ encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and six months ended 30 September 2014 of the Statement, from the details furnished by the Management/Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.008072S)



V. Srikumar
Partner
(Membership No. 84494)

BANGALORE, October 30, 2014
VS/ MNB/ UB/ 2014

TITAN COMPANY LIMITED

(formerly known as TITAN INDUSTRIES LIMITED)

CIN L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 125.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

₹ lakhs

	Quarter ended 30-09-2014 (Unaudited)	Quarter ended 30-06-2014 (Unaudited)	Quarter ended 30-09-2013 (Unaudited)	Half year ended 30-09-2014 (Unaudited)	Half year ended 30-9-2013 (Unaudited)	Year ended 31-3-2014 (Audited)
PART I						
Statement of Standalone Unaudited/Audited Results						
1 Income from operations						
(a) Net sales / Income from operations (Net of excise duty)	356,467	285,355	229,002	641,833	537,781	1,061,538
(b) Other operating income	2,640	3,778	3,895	6,518	5,963	10,071
Total Income from operations (Net)	359,107	289,134	232,897	648,351	543,744	1,071,609
2 Expenses						
(a) Cost of materials consumed	246,152	181,045	195,708	427,197	373,807	655,878
(b) Purchase of stock-in-trade	28,297	30,795	47,893	69,192	98,198	159,142
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	(4,320)	4,084	(83,502)	(336)	(68,810)	(9,957)
(d) Employee benefits expense	18,283	14,619	13,458	31,012	26,515	53,449
(e) Advertising	16,683	9,825	9,435	30,808	19,902	40,443
(f) Depreciation and amortisation expense	1,987	2,034	1,490	4,421	2,951	6,558
(g) Other expenses	27,898	21,238	23,852	49,134	45,418	87,780
Total expenses	327,988	264,140	208,214	592,128	496,948	900,294
3 Profit from operations before other income and finance costs	31,119	25,004	24,683	56,223	47,715	98,285
4 Other income	1,780	2,540	3,038	4,320	6,862	12,018
5 Profit before finance costs	33,099	27,544	27,721	60,543	54,577	110,304
6 Finance costs	1,088	3,497	1,895	4,586	3,898	8,711
7 Profit before taxes	32,011	24,047	25,726	56,008	50,679	101,583
8 Tax expense						
- Current	7,962	6,813	7,203	14,675	14,248	28,300
- Deferred	61	(293)	(142)	(242)	(280)	(131)
- Taxes of earlier years	-	-	-	-	-	1,310
9 Profit after taxes	23,988	17,227	18,585	41,725	36,913	74,114
10 Paid-up equity share capital (face value ₹1 per share)	8,878	8,878	8,878	8,878	8,878	8,878
11 Reserves excluding revaluation reserves as per balance sheet of previous accounting year						243,518
12 Basic and diluted earnings per equity share (₹) (Not annualised)	2.70	2.00	2.10	4.70	4.15	8.35

See accompanying note to the financial results



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

₹ lakhs

	Quarter ended 30-09-2014 (Unaudited)	Quarter ended 30-06-2014 (Unaudited)	Quarter ended 30-09-2013 (Unaudited)	Half year ended 30-09-2014 (Unaudited)	Half year ended 30-9-2013 (Unaudited)	Year ended 31-3-2014 (Audited)
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PART II

Select information for the quarter and six months ended 30 September 2014

A PARTICULARS OF SHAREHOLDING

1 Public shareholding	416,778,240	416,778,240	416,778,240	416,778,240	416,778,240	416,778,240
- Number of shares						
- Percentage of shareholding	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%
2 Promoters and Promoter group shareholding						
a) Pledged / Encumbered						
- Number of shares	2,559,589	2,559,509	2,559,589	2,559,889	2,559,589	2,559,589
- % of shares (as a % of the total shareholding of promoter and promoter group)	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%
- % of shares (as a % of the total share capital of the Company)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
b) Non-encumbered						
- Number of shares	468,448,331	468,448,331	468,448,331	468,448,331	468,448,331	468,448,331
- % of shares (as a % of the total shareholding of promoter and promoter group)	96.9%	96.5%	99.5%	99.6%	99.5%	99.5%
- % of shares (as a % of the total share capital of the Company)	52.9%	52.8%	52.8%	52.8%	52.8%	52.8%

Particulars	Quarter ended 30-09-2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	1
Received during the quarter	19
Disposed of during the quarter	14
Remaining unresolved at the end of the quarter	2

Segment Results

Net sales / Income from segments	52,746	43,995	43,907	96,741	83,775	170,090
Watches	292,838	232,527	177,739	528,465	436,400	863,203
Jewellery	13,790	12,783	11,403	26,873	23,721	46,979
Others	1,613	2,379	2,886	3,899	6,630	11,236
Corporate(Unallocated)	361,067	291,604	235,935	642,771	550,628	1,103,598
Total						
Profit / (Loss) from segments before interest and taxes	8,667	4,821	4,314	11,478	6,150	18,892
Watches	26,818	21,776	22,021	48,694	42,325	85,353
Jewellery	84	48	(29)	132	246	379
Others	33,869	26,645	26,306	60,264	50,732	104,924
Total						
Less : Finance costs	1,088	3,487	1,995	4,865	3,088	6,711
Unallocable expenditure net of unallocable income	469	(689)	(1,415)	(429)	(3,845)	(5,880)
Total	32,011	24,047	25,726	69,068	50,879	101,583
Profit before taxes						
Capital Employed	67,817	61,787	59,268	67,817	69,298	69,157
Watches	248,844	134,399	104,052	248,844	104,052	104,854
Jewellery	23,372	21,452	18,822	23,372	16,822	21,425
Others	67,874	93,628	110,971	67,874	110,971	87,842
Corporate(Unallocated)	387,907	311,266	293,113	387,907	293,113	332,088
Total						



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

Notes :

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	₹ lakhs	
	As at 30-9-2014 (Unaudited)	As at 31-3-2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	8,878	8,878
(b) Reserves and Surplus	287,600	243,518
Sub-total - Shareholders' funds	296,478	252,396
2 Non-Current Liabilities		
Long-term provisions	7,639	7,176
Sub-total - Non-current liabilities	7,639	7,176
3 Current Liabilities		
(a) Short-term borrowings	92,608	80,627
(b) Trade payables	130,909	85,773
(c) Other current liabilities	34,376	153,610
(d) Short-term provisions	11,649	31,120
Sub-total - Current liabilities	269,540	351,130
TOTAL - EQUITY AND LIABILITIES	573,657	610,702
B ASSETS		
1 Non-current assets		
(a) Fixed assets	68,098	62,911
(b) Non-current investments	3,032	2,657
(c) Deferred tax asset (net)	1,177	935
(d) Long-term loans and advances	24,317	20,372
Sub-total - Non-current assets	96,624	86,875
2 Current assets		
(a) Inventories	395,856	386,719
(b) Trade receivables	16,524	15,202
(c) Cash and cash equivalents	19,486	88,893
(d) Short-term loans and advances	44,639	31,342
(e) Other current assets	528	1,871
Sub-total - Current assets	477,033	523,827
TOTAL - ASSETS	573,657	610,702



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TITAN COMPANY LIMITED
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3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

- 2 The name of the Company was changed from Titan Industries Limited to Titan Company Limited with effect from 1 August 2013.
- 3 The Company's primary segments consist of Watches, Jewellery and Others, where 'Others' include Eye wear, Precision Engineering, Machine Building, Clocks and Accessories.
Due to regulatory changes during 2013-14 in relation to purchase and funding of gold, the Company has reviewed the definition of operating assets and operating liabilities and as required by Accounting Standard (AS) 17 - Segment Reporting, has revised the allocation of certain assets to the business segments to reflect the current business practices.
- 4 Consequent to the applicability of the Companies Act, 2013 with effect from 1st April 2014, depreciation for the six month ended 30 September 2014 has been calculated based on the useful life as specified under Schedule II of the said Act, except for furniture & fixtures and vehicles.
On account of the above, the depreciation for the six month ended 30 September 2014 debited to the statement of profit and loss is higher by Rs.945.29 lakhs.
In terms of Schedule II of the Companies Act, 2013 an amount of Rs. 415.24 lakhs (net of tax) has been debited to the opening balance of the retained earnings as at 1st April 2014 towards the carrying amount of assets, where the remaining useful life of these assets are Nil.
- 5 During the quarter, Favre Leuba AG (a subsidiary of Titan Company Limited) has acquired Titan Watch Company Limited, Hongkong for HKD 10,000.
- 6 The figures of the previous period have been regrouped/recast, where necessary.
- 7 The financial results were reviewed by the Board Audit Committee and were approved by the Board of Directors at their meeting on 30 October 2014.
- 8 The Auditors have carried out a limited review of the financial results for the period ended on 30 September 2014, as required by the Listing Agreement.

For and on behalf of the Board of Directors

Bangalore, 30 October 2014

BHASKAR BHAT
Managing Director



A handwritten signature in black ink, appearing to read "Bhaskar Bhat", written over the circular stamp of Titan Company Limited.



30th October 2014

PRESS RELEASE

Titan Company Ltd registers a growth of 28.6% in Q2 net profit.

Titan Company Ltd announced a growth of 28.6% in net profit in the second quarter over last year. The income from operations in the second quarter, July to September 2014, was Rs.3564.67 crore, a growth of 55.7% over last year's income of Rs.2290.02 crore during the same period. The jewellery business of the company experienced an extra-ordinary growth due to redemption of Golden Harvest accounts of existing customers which had to be closed due to regulatory changes. The income for April to September 2014, the first half of this financial year, stands at Rs.6418.33 crore, registering a healthy growth of 19.3% over last year.

The net profit for Q2 is Rs.239.98 crore, up from Rs.186.65 crore last year – a growth of 28.6%. The net profit for the six months ended September 2014 is Rs.417.25 crore, up 13% over last year. The profit before tax is Rs.320.11 crore for Q2 and Rs.560.58 crore for the first half.

The Watches division has also done well in the quarter backed by successful activations for both Titan and Fastrack brands. A new brand campaign on 'gifting of time' went on air for Titan watches. The income for watches was Rs.527.46 crore in Q2 as compared to Rs.439.07 crore last year. The jewellery business recorded an outstanding income growth of 64.8% in Q2 over last year. It had an income of Rs.2929.38 crore this year in Q2 as compared to Rs.1777.39 crore last year. Other businesses of the Company comprising Precision Engineering, a B2B business, the Eyewear business and accessories grew by 20.9% in Q2. The combined income of these businesses was Rs.137.90 crore in Q2. Their last year income for Q2 was Rs.114.03 crore.

The Titan Company retail chain is 1136 stores strong, as on 30th September 2014 with a retail area crossing 15.3 lac sq.ft. nationally for all its brands.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "This was an extra-ordinary quarter for the company and we witnessed an income growth of over 55% on account of an encouraging performance by all divisions, especially the jewellery business where the accounts of our Golden Harvest Scheme customers had to be closed based on regulatory changes. We have also seen an improvement in consumer sentiment in the second quarter and many of our brands ran successful activations to build on this sentiment and the festive mood. Gold prices have been stable and inflation is falling which would help in providing a lift to the economy. However, the coming quarter will have to be observed and tackled appropriately as some channels are beginning to report lower walk-ins. All our brands will invest in new campaigns in this quarter to improve our connect with the consumer."

S. Ravi Kant
Executive Vice President
(Corporate Communications)

Titan Company Limited

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