



SEC 22 / 2016-17

4th November 2016

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: Unaudited Financial Results (stand-alone) for the second quarter and half-year ended 30th September 2016

At the Board Meeting of the Company held today, the Unaudited Financial Results (stand-alone) for the second quarter and half year ended 30th September 2016 was considered and approved. The Board meeting commenced at 10:05 AM and ended at 1:35 PM.

A copy of the statement of Unaudited Financial Results (stand-alone) for the second quarter and half year ended 30th September 2016 and press release is enclosed.

The Statutory Auditor of the Company, Deloitte Haskins & Sells have carried out a Limited Review for the second quarter and half year ended 30th September 2016 and a copy thereof is annexed therewith.

We have also uploaded the results on the Stock Exchange websites at www.bseindia.com and www.nseindia.com and on the Company's website at www.titan.co.in.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

A R Rajaram
Head - Legal & Company Secretary

End. As stated

Titan Company Limited
(formerly Titan Industries Limited)

No. 132/133 DivyaSree Technopolis Yamalur Main Road Yamalur Post Bengaluru 560 037 India. Tel 91 80 6660 9000 Fax 91 80 6660 8073
Registered Office 3 Sipcot Industrial Complex Hosur 635 126 TN India Tel 91 4344 664 199 Fax 91 4344 276037. CIN: L74999TZ1984PLC001456
www.titan.co.in

A **TATA** Enterprise

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

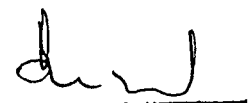
TO THE BOARD OF DIRECTORS OF TITAN COMPANY LIMITED

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 September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. .

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



V. Srikumar
Partner

(Membership No. 84494)



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

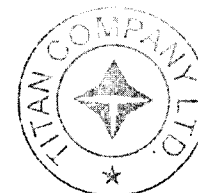
3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

₹ lakh

	Quarter ended 30-09-2016	Quarter ended 30-06-2016	Quarter ended 30-09-2015	Half year ended 30-09-2016	Half year ended 30-09-2015	Year ended 31-03-2016
PART I						
Statement of Standalone Unaudited Results						
1 Income from operations	265,983	280,631	266,252	546,614	535,529	1,120,821
(a) Sales / Income from operations						
(b) Other operating income	1,594	1,631	1,882	3,225	4,070	8,763
Total income from operations	267,577	282,262	268,134	549,839	539,599	1,129,584
2 Expenses						
(a) Cost of materials consumed	195,113	174,881	205,117	369,994	341,714	742,395
(b) Purchase of stock-in-trade	28,146	18,672	17,628	46,818	47,399	95,623
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	(42,899)	3,894	(25,005)	(39,005)	1,397	(19,139)
(d) Excise duty	2,339	2,381	786	4,720	1,387	3,121
(e) Employee benefits expense	18,160	19,194	18,035	37,354	35,632	67,637
(f) Advertising	9,808	10,269	8,964	20,077	21,856	42,918
(g) Depreciation and amortisation expense	2,596	2,608	2,400	5,204	4,687	9,711
(h) Other expenses	29,275	23,755	22,430	53,030	47,881	102,358
Total expenses	242,538	255,654	250,355	498,192	501,953	1,044,624
3 Profit from operations before other income, finance costs and exceptional item	25,039	26,608	17,779	51,647	37,646	84,960
4 Other income	1,171	1,335	1,380	2,506	3,137	7,359
5 Profit before finance costs and exceptional item	26,210	27,943	19,159	54,153	40,783	92,319
6 Finance costs	1,171	879	871	2,050	2,054	4,228
7 Profit after finance costs but before exceptional item	25,039	27,064	18,288	52,103	38,729	88,091
8 Exceptional item (refer note no. 3)	298	9,688	-	9,986	-	-
9 Profit before taxes	24,741	17,376	18,288	42,117	38,729	88,091
10 Tax expense						
- Current	7,158	5,056	3,942	12,214	9,242	18,570
- MAT Credit	-	-	-	-	-	(1,663)
- Deferred	(493)	(349)	(289)	(842)	(293)	(131)
11 Profit after taxes	18,076	12,669	14,635	30,745	29,780	71,315
12 Other Comprehensive Income (OCI) (after taxes)						
- On actuarial gains/ (losses) on employee benefits	(1,162)	-	-	(1,162)	-	(510)
- Gain/ (loss) arising on changes in fair value of hedging instruments designated as cash flow hedge (Refer note -5)	10,023	(6,519)	(438)	3,504	(1,042)	(3,421)
	8,861	(6,519)	(438)	2,342	(1,042)	(3,931)
13 Total Comprehensive Income (after taxes)	26,937	6,150	14,197	33,087	28,738	67,384
14 Paid-up equity share capital (face value ₹1 per share)	8,878	8,878	8,878	8,878	8,878	8,878
15 Basic and diluted earnings per equity share (₹) (Not annualised)	2.04	1.43	1.65	3.46	3.35	8.03

See accompanying notes to the financial results





TITAN COMPANY LIMITED

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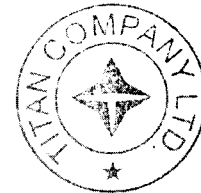
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

PART II

Segment information for the quarter and six months ended September 30, 2016

₹ lakh

	Quarter ended 30-09-2016	Quarter ended 30-06-2016	Quarter ended 30-09-2015	Half year ended 30-09-2016	Half year ended 30-09-2015	Year ended 31-03-2016
Segment Results						
Sales / Income from segments						
Watches	52,369	49,973	55,244	102,342	104,122	197,436
Jewellery	198,751	215,059	198,272	413,810	405,582	872,265
Eyewear	9,519	11,049	8,933	20,568	19,685	37,452
Others	7,291	6,683	6,077	13,974	10,932	24,554
Corporate(Unallocated)	818	833	988	1,651	2,415	5,236
Total	268,748	283,597	269,514	552,345	542,736	1,136,943
Profit / (Loss) from segments before finance costs, taxes and exceptional item						
Watches	6,430	917	8,349	7,347	13,084	17,065
Jewellery	21,819	20,385	12,048	42,204	30,199	80,004
Eyewear	198	298	433	496	652	2,061
Others	(595)	(833)	(567)	(1,428)	(1,639)	(3,503)
Total	27,852	20,767	20,263	48,619	42,296	95,627
Less Finance costs	1,171	879	871	2,050	2,054	4,228
Unallocable expenditure net of unallocable income	1,940	2,512	1,104	4,452	1,513	3,308
Profit before taxes	24,741	17,376	18,288	42,117	38,729	88,091
Segment assets						
Watches	119,502	128,252	133,325	119,502	133,325	119,774
Jewellery	474,336	412,361	388,425	474,336	388,425	415,954
Eyewear	18,939	18,738	14,619	18,939	14,619	16,771
Others	31,445	30,294	24,120	31,445	24,120	27,563
Corporate(Unallocated)	104,059	76,882	51,228	104,059	51,228	54,072
Total	748,281	666,527	611,717	748,281	611,717	634,134
Segment liabilities						
Watches	51,033	51,250	48,086	51,033	48,086	41,967
Jewellery	206,860	230,596	174,529	206,860	174,529	213,804
Eyewear	7,125	8,908	6,415	7,125	6,415	6,899
Others	7,430	7,950	5,824	7,430	5,824	6,045
Corporate(Unallocated)	90,123	12,164	36,918	90,123	36,918	12,897
Total	362,671	310,868	271,772	362,671	271,772	281,612



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TITAN COMPANY LIMITED

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

₹ lakh

Particulars	As at 30-09-2016	As at 31-03-2016
ASSETS		
Non-current assets		
(a) Property, plant and equipment	77,066	73,202
(b) Capital work-in-progress	13,143	10,605
(c) Investment property	972	972
(d) Intangible assets	1,807	1,004
(e) Financial assets		
- Investments	44,842	8,038
- Other assets	10,144	10,067
(f) Other assets	17,392	17,138
(g) Deferred tax asset (net)	3,250	2,705
Total non-current assets	168,616	123,731
Current assets		
(a) Inventories	496,588	444,224
(b) Financial assets		
- Trade receivables	28,551	19,514
- Cash and cash equivalents	17,449	11,166
- Other assets	21,647	23,978
(c) Other assets	18,700	14,226
Total current assets	582,915	513,108
TOTAL ASSETS	751,531	636,839
EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share capital	8,878	8,878
(b) Other equity	380,082	346,349
Total - Shareholders' funds	388,960	355,227
Non-Current Liabilities		
Provisions	11,548	10,692
Total - Non-current liabilities	11,548	10,692
Current Liabilities		
(a) Financial liabilities		
- Borrowings	88,229	11,305
- Trade payables	144,281	169,213
- Other payables	5,517	5,241
(b) Other liabilities	103,865	76,810
(c) Provisions	9,131	8,351
Total - Current liabilities	351,023	270,920
TOTAL - EQUITY AND LIABILITIES	751,531	636,839

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

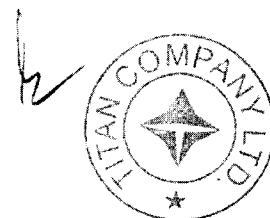
2 This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the half year ended ended September 30, 2016 which needs to be explained.

3 The Company has announced Voluntary Retirement Scheme (VRS) to its employees during the period. The entire expenses relating to the same being exceptional are classified accordingly and accounted for in the period. Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below for the half year ended September 30, 2016:

Division	₹ Lakh
Watches	13,793
Jewellery	43,554
Eyewear	857
Others	(796)
	57,408
Corporate (Unallocated)	(3,255)
	54,153

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

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





TITAN COMPANY LIMITED

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

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

₹ lakh

Sl No.	Nature of adjustments	Note No.	Profit Reconciliation		
			Quarter ended 30-09-2015	Half year ended 30-09-2015	Year ended 31-03-2016
	Profit after tax as reported under previous GAAP		14,539	29,645	70,585
1	Impact due to recognition of lease rentals on straight line basis	ii	135	247	448
2	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	15	(14)	(16)
3	Impact due to recognition of revenue over the period in which services are rendered	iv	(11)	(14)	(40)
4	Reclassification of actuarial gains / (losses) arising in respect of employee benefit schemes, to Other Comprehensive Income		-	0	633
5	Tax adjustments		(43)	(84)	(295)
	Profit under Ind AS (after tax)		14,635	29,780	71,315
	Other Comprehensive Income (after taxes)		-	-	(510)
6	On actuarial gains/ (losses) on employee benefits		-	-	(3,421)
7	Gain/ (loss) arising on changes in fair value of hedging instruments designated as cash flow hedge (Refer note -5)		(438)	(1,042)	(3,421)
	Total comprehensive income as reported under Ind AS		14,197	28,738	67,384

6 B. Reconciliation of equity between Ind AS and previous GAAP

₹ lakh

Sl No.	Nature of adjustments	Note No.	As at 31-03-2016
	Equity as reported under Previous GAAP		351,460
1	Impact due to recognition of lease rentals on straight line basis	ii	4,708
2	Impact of measuring investments at Fair Value through Profit or loss	i (b) & (c)	840
3	Impact due to recognition of revenue over the period in which services are rendered	iv	(126)
4	Effect of discounting of security deposit, employee loans and reclassification of land as operating lease	iii	(104)
5	Tax adjustments		(1,351)
	Equity as reported under Ind AS		355,227

Notes:

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

Under previous GAAP, leasehold land were recognised at cost in property, plant and equipment. Under Ind AS, leases of land are classified as operating leases and accordingly amortised over the period of lease.

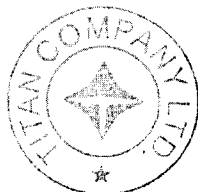
Under previous GAAP, lease deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.
- iv. Under previous GAAP, revenue relating to EMG (Extended Maintenance Guarantee) and signing fees were recognised at the point of receipt / agreement respectively. Under Ind AS, EMG and signing fees is recognised in the accounting periods in which services are rendered.

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

8. The unaudited standalone financial results of the Company for the period ended September 30, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on November 04, 2016.

For and on behalf of the Board of Directors


 BHASKAR BHAT
 Managing Director



Bengaluru, November 04, 2016





4th November 2016

PRESS RELEASE

Titan Company Ltd reports a growth of 35% in Q2 profits.

Titan Company Ltd announced an exceptional growth in profits while reporting a marginal decline of 0.1% in net income in the second quarter. The income from operations in the second quarter, July to September 2016, was Rs.2659.83 crores, against last year's income of Rs.2662.52 crores during the same period. The income for April to September 2016, the first half of this financial year, stands at Rs.5466.14 crores, registering a growth of 2.1% over last year.

The net profit for Q2 is Rs.180.76 crores, against Rs.146.35 crores last year, recording a growth of 23.5%. The net profit for the six months ended September 2016 is Rs307.45 crores after the exceptional item of Rs 99.86 crores.. The profit before tax and exceptional item is Rs.250.39 crores for Q2, a growth of 36.9% and Rs.521.03 crores for the first half, a growth of 34.5%. This was possible due to decent improvement in gross margin and the benefits of the cost control programme undertaken by the company.

The jewellery business had an extremely successful activation in the second quarter and recorded an income of Rs.1987.51 crores as compared to Rs.1982.72 crores last year. Performance of the diamond studded jewellery segment was much better than plain gold segment. The Watches division continues to exhibit a decent performance in the domestic market but the overall business declined due to lack of growth in some of its International markets as well as its service business which went through re-structuring. The income for the quarter was Rs.523.69 crores against Rs.552.45 crores in the previous year, a decline of 5.2%. The Eyewear business grew by 6.6% in the quarter, recording an income of Rs.95.19 crores as against Rs.89.33 crores last year. Other businesses of the Company comprising Precision Engineering, a B2B business and accessories grew by 20% in Q2. The performance of this segment was driven by an extremely encouraging growth of 23% in the PED business which has also built up a healthy order book. The combined income of these businesses was Rs.72.91 crores in Q2. Their last year income for Q2 was Rs.60.77 crores.

The Titan Company retail chain stands at 1316 stores, as on 30th September 2016 with a retail area crossing 1.75 million sq.ft. nationally for all its brands

Mr. Bhaskar Bhat, Managing Director of the Company stated that "This was an extremely good quarter for the Company with respect to profits. All businesses of the company recorded profits in the quarter. The Jewellery business had an extremely good studded jewellery activation and the Watches business launched its second smart watch, Juxt Pro. All our retail channels grew. The festive season has commenced very well. For the Dussehra to Diwali festive period, Tanishq registered a growth of 39% over last year. In watches, for the same period, our World of Titan stores grew by 14% and Helios stores by 11% in retail sales."

S. Ravi Kant
Executive Vice President
(Corporate Communications)

Titan Company Limited
(formerly Titan Industries Limited)

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