



SEC 50 / 2019-20

7<sup>th</sup> October 2019

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: Quarterly Update – Q2 FY 2019-20**

This is to provide the quarterly update for Q2 of FY 2019-20 as furnished in the attached document.

Thank you.

Yours truly,  
For TITAN COMPANY LIMITED

Dinesh Shetty  
General Counsel & Company Secretary



Encl. As stated

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

[www.titan.co.in](http://www.titan.co.in)

A TATA Enterprise



7th October, 2019

### Quarterly Update: Q2 FY '20

Mr. Bhaskar Bhat retired after serving the company for 33 years, with 17 years as its Managing Director. Bhaskar's strategy of multiple stake owners focus has not only enhanced shareholder value very significantly but also created a very strong base from which Titan can reach new heights in the years to come. Mr. C.K.Venkataraman, who has been with the Company for over 30 years and in the role of CEO of Jewellery business since 2005, has taken over the role of Managing Director from 1st Oct. During his 30 years in Titan, Venkat has worked for almost equal periods of time in the Watches and Jewellery businesses. Mr Ajoy Chawla has taken over as the CEO – Jewellery Division from 1<sup>st</sup> October 2019. Ajoy has spent 29 years in Titan and joined as a Tata Administrative Services (TAS) recruit in 1990. While Bhaskar retired from the Board as Managing Director on 30th Sep, he has been re-appointed as a Non-Executive Non-Independent Director on Board effective 1st Oct, 2019.

The Company has purchased 9,45,000 equity shares from one of the shareholders of CaratLane, thereby increasing its stake in the subsidiary by 2.8%, from 69.5% to 72.3%.

### Jewellery

The division witnessed a sharp fall in sales after a sudden surge in gold prices dented the consumer demand from mid-June. The weakness continued during July too and resulted in considerable de growth in sales during the month. While retail sales declined in July, between August & September the retail growth was 15% YoY over the same period in the previous financial year possible due to an enhanced level of promotions & schemes. Retail sales (secondary sales) therefore grew by 7% in Q2'20 but revenues as per financials declined 2% YoY in Q2'20 substantially due to adverse impact of the hedges matured during the quarter.

Tanishq launched Ahalya, a high-value diamond necklaces collection, inspired by the inner fire and radiance of a woman. In early October, 'Virasat' collection, inspired by the rich heritage and artistry of the royal city of Udaipur, was launched in the plain gold category for the upcoming festival season of Diwali.

'Mia Classics', a diamond intensive collection, designed to go with any season, any look & any occasion, 'Smolitaires' collection with designs of single stone finger rings, to celebrate the milestones in life like first job etc. and 'Sassy Silver' collection with mother-of-pearl & colour stones embedded in 92.5 sterling silver, inspired by the Mosaic theme and manufactured in Bangkok were launched during the quarter by Mia brand.

The division added a net of 21 Tanishq stores, with the retail space addition being approximately 67,000 sq. ft.



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## Watches

The division continued to see the trend of Multi brand outlets (MBO) growing at much faster rate compared to exclusive brand outlets (EBO), on account of wider choice/ variety in terms of brands that MBO offers. E-commerce sales also witnessed strong growth during the quarter. Weak consumer sentiments led to moderation in growth rate of division to 7% for the quarter and 13 % for the half year.

The division has started rolling-out Omni-channel experience for customers providing them choice to 'order online and collect from store,' 'reserve online and try on in-store,' or 'get it shipped from nearest store.'

Focused digital campaigns were launched during festivals like Durga Pujo and Ganeshotsav, resulting in continued growth in the followers of the Brand handles. This campaign has garnered a reach of 5 Million+ views.

Titan Clocks were launched exclusively on Flipkart and was well received. 'Titan' brand launched 'Edge Zen' taking the inspiration from water and pebble in Zen garden. 'Octane Hyper Lume' is collection of modern day sporty watches, which also introduces 200 m water resistant watches. 'Purple Self Expression' is collection for the women to powerfully express their style, in a similar way that it is done through T-shirts.

Our youth brand 'Fastrack' launched signature collection 'Space' that celebrates different facets of our universe and is inspired by Indian space program that is making giant leaps to the moon, mars and beyond.

'Sonata' launched 'Mission Mangal Ladies Collection' with the first ever association of the brand with a movie. Sonata also launched two sporty collections for men – RPM and NXT3, inspired by the design elements from motorcycle and automobiles respectively.

The division added 17 WOT stores and closed 14, added 14 Fastrack stores while closing 6 and for Helios added 12 stores while closing 2 stores during the quarter.

## Eye Wear

The division witnessed robust growth of 28 % for the quarter, partly aided by the participation in Essilor's offer of 'Buy One Get One'.

The division added 43 stores during the year to date and also closed 19 stores, ending up with a net increase of about 16,000 sq. feet of retail space.

In frames, 'Titan Air Max' and 'Titan Signature' collections were launched under 'Titan' brand and 'Canvas' and 'Wired' collections were launched under 'Fastrack' brand. In Sunglasses, 'Titan Midnight Sun' collection was launched.



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### **New Businesses**

Skinn continues to increase its distribution reach and witnessed good growth during the quarter. The brand opened a large new segment by launching premium deodorants which have been well received in the markets.

'Taneira' opened its third store in Bengaluru and its first store in Pune, taking the total store count for the business to seven in four metros. The brand ran a month long consumer activation which performed extremely well. The brand launched a festive collection called 'Navya' for the festive season.

### **Subsidiaries**

#### **TEAL**

TEAL had an overall growth of 9% for the Quarter 2 and the growth has been at 33% for the six months. Business outlook for Second half of FY 20 looks positive with large orders that are expected to be executed and the company expects to meet its plan for the year. The company received "Excellent cooperation" award from Collins, Aerospace - among 100 suppliers in Asia.

#### **CaratLane**

Q2 was an excellent quarter for the company despite the softness in the market in the 2nd half of the quarter. Overall Revenue grew at 75 % during the quarter and the growth for the year to date was 67%. 8 new stores were added in the quarter taking the total store count to 70.

**For Titan Company Limited,**

**(Subramaniam S)**

**Chief Financial Officer**



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