



6th August 2019

PRESS RELEASE

Titan Company Ltd registers a topline growth of 14.5% in Q1.

Titan Company Limited reported a growth of 14.5% in topline during Q1 of FY 2019-20. The sales income grew from Rs.4269 crores last year to Rs.4885 crores in Q1. The profit before tax for the same period grew from Rs.487 crores to Rs.523 crores

The Jewellery division recorded an income growth of 13.3% in the first quarter. The income from this division in Q1 was Rs.4047 crores as against Rs.3572 crores last year. Growth in the jewellery segment was adversely impacted by high gold prices, especially during the month of June 2019. The Watches business grew from Rs.594 crores in Q1 last year to Rs.715 crores this year, recording a growth of 20.4%, powered by excellent growth in brand Titan. The Company's Eyewear business grew by 13.1% to Rs.149 crores for Q1 this year. The Company's other businesses comprising accessories, fragrances and sarees grew by 37.9%, to Rs.36 crores this year.

The above are Standalone figures. The consolidated income and PBT for Q1 of the Company were Rs.5095 crores and Rs.521 crores respectively.

Retail expansion continued with a net addition of 45 stores across all its businesses in the first quarter, ending the period with a retail area of over 2.1 mn sq.ft nationally. The Company's retail chain is 1640 stores strong, as on 30th June 2019 and the network expansion effort will remain undiminished across all its businesses – Watches, Jewellery and Eyewear.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The macro-economic environment coupled with lower consumption have impacted some of our businesses. The retail growth in jewellery was driven by encouraging performance in the studded as well as wedding jewellery segments. However, there has been a weak consumer sentiment prevailing across, especially in jewellery with additional factors like price volatility and customs duty increase. The Watches business has done well, with a growth of 20% while retaining its focus on healthy margins. The profit growth for the Company appears subdued due to investments made in biennial overseas conferences for our business associates across all divisions as well as the impact of wage settlement with our unionized employees that was cordially concluded in this quarter. The Company is gearing up on all fronts across its portfolio of brands and businesses to stimulate demand in the coming quarter through innovative campaigns and new product launches."

S. Ravi Kant
Executive Vice President
(Corporate Communications)

Titan Company Limited

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A TATA Enterprise

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Limited Review Report on unaudited quarterly standalone financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Titan Company Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Titan Company Limited ('the Company') for the quarter ended 30 June 2019 ('the Statement').
2. 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 Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

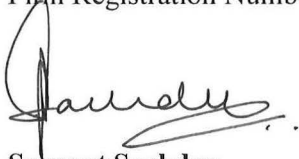
Limited Review Report on unaudited quarterly standalone financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Supreet Sachdev

Partner

Membership Number: 205385

UDIN: 19205385AAAAAH3621

Place: Bengaluru

Date: 6 August 2019



TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

PART I

₹ in lakhs

Particulars	3 months ended			Year ended
	30-06-2019 (Unaudited)	31-03-2019 (Audited) ⁶	30-06-2018 (Unaudited)	31-03-2019 (Audited)
I. Revenue from operations (Refer note 4)				
- Sale of products/ services	488,538	463,093	426,856	1,888,534
- Other operating revenue	5,428	4,113	5,029	18,463
II. Other income	5,598	5,512	3,567	17,850
III. Total income (I +II)	499,564	472,718	435,452	1,924,847
IV. Expenses:				
Cost of materials and components consumed	305,370	344,126	212,829	1,182,204
Purchase of stock-in-trade	60,455	51,800	55,894	282,892
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(4,477)	(55,883)	47,146	(66,378)
Employee benefits expense	24,541	25,223	20,654	87,879
Finance costs	3,030	1,222	883	4,445
Depreciation and amortisation expense	6,812	3,347	3,514	13,889
Advertising	13,404	11,252	13,621	52,260
Other expenses	38,144	45,131	32,213	167,919
IV. Total expenses	447,279	426,218	386,754	1,725,110
V. Profit before exceptional item and tax (III - IV)	52,285	46,500	48,698	199,737
VI. Exceptional item (Refer note 3)	-	7,000	-	7,000
VII. Profit before tax (V - VI)	52,285	39,500	48,698	192,737
VIII. Tax expense:				
Current tax	14,746	15,488	13,440	60,201
Deferred tax	466	(5,446)	341	(4,900)
VIII. Total tax	15,212	10,042	13,781	55,301
IX. Profit for the period (VII-VIII)	37,073	29,458	34,917	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	(647)	(28)	(1,399)	(2,587)
- Income-tax on (i) above	184	42	386	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	(11,105)	4,859	9,450	4,498
- income-tax on (ii) above	3,197	(1,356)	(2,658)	(1,230)
X. Total other comprehensive income	(8,371)	3,517	5,779	1,473
XI. Total comprehensive income (IX+X)	28,702	32,975	40,696	138,909
XII. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878
XIII. Other equity:				609,294
XIV. Earnings per equity share of ₹ 1: (based on net profit for the period (IX))				
Basic and diluted (not annualised)	4.18	3.32	3.93	15.48

See accompanying notes to the standalone unaudited financial results





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

SEGMENT INFORMATION (Refer note 5)

₹ in lakhs

Particulars	3 months ended			Year ended
	30-06-2019 (Unaudited)	31-03-2019 (Audited) ⁶	30-06-2018 (Unaudited)	31-03-2019 (Audited)
Segment revenues and profit and loss				
a) Sales / Income from segments				
Watches	71,459	53,105	59,352	244,093
Jewellery	404,744	398,550	357,166	1,602,958
Eyewear	14,878	13,035	13,157	51,141
Others	3,628	3,689	2,630	13,343
Corporate (unallocated)	4,855	4,339	3,147	13,312
Total	499,564	472,718	435,452	1,924,847
b) Profit / (Loss) from segments before finance costs and taxes				
Watches	12,766	2,895	11,132	31,638
Jewellery	44,201	51,212	39,338	194,800
Eyewear	(1,143)	(166)	174	(238)
Others	(1,853)	(1,712)	(1,311)	(5,811)
Corporate (unallocated)	1,344	(11,507)	248	(23,207)
	55,315	40,722	49,581	197,182
Finance costs	3,030	1,222	883	4,445
Profit before taxes	52,285	39,500	48,698	192,737
c) Segment assets and liabilities				
Segment assets				
Watches	181,664	150,204	146,142	150,204
Jewellery	709,646	674,225	533,003	674,225
Eyewear	50,058	39,447	29,623	39,447
Others	14,973	10,656	5,442	10,656
Corporate(Unallocated)	374,213	272,450	311,229	272,450
Total	1,330,554	1,146,982	1,025,439	1,146,982
Segment liabilities				
Watches	72,025	45,348	47,761	45,348
Jewellery	573,830	457,048	391,289	457,048
Eyewear	25,492	12,705	8,233	12,705
Others	6,386	2,514	1,861	2,514
Corporate(Unallocated)	16,029	11,195	16,201	11,195
Total	693,762	528,810	465,345	528,810





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

Notes:

- 1 The unaudited 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.
- 2 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. For the quarter ended 30 June 2019, the implementation of Ind AS 116 resulted in lower Profit before tax by ₹ 234 lakhs on account of higher interest cost and depreciation offset by reversal in rent expenses. 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".
- 3 Exceptional item includes provision for impairment of investment in a subsidiary (Favre Leuba AG, Switzerland) made for the quarter and year ended 31 March 2019 amounting to ₹ 7,000 lakhs.

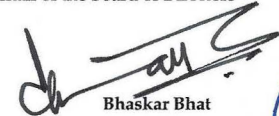
Profit / (loss) from segments before exceptional items, finance costs and taxes are as below for the quarter and year ended 31 March 2019:

₹ in lakhs

Segment	3 months ended 31-03-2019	Year ended 31-03-2019
	(Audited) ⁶	(Audited)
Watches	2,895	31,638
Jewellery	51,212	194,800
Eyewear	(166)	(238)
Others	(1,712)	(5,811)
	52,229	220,389
Corporate (Unallocated)	(4,507)	(16,207)
	47,722	204,182

- 4 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 quarter ended 30 June 2018 and year ended 31 March 2019.
- 5 The Company is structured into four verticals namely Watches, 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.
- 6 The figures for the quarter ended 31 March 2019 are a balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31 March 2019.
- 7 The statutory auditors have carried out limited review of the unaudited financial results for the quarter ended 30 June 2019 and have issued an unmodified review report.
- 8 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 is committed to take steps including legal actions that may be necessary to ensure full recoverability.
- 9 The unaudited financial results of the Company for the quarter ended 30 June 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 6 August 2019.

for and on behalf of the Board of Directors


Bhaskar Bhat
Managing Director



Place: Hosur
Date: 6 August 2019



B S R & Co. LLP

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Limited Review Report on unaudited quarterly consolidated financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Titan Company Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Titan Company Limited ("the Parent"), its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its share of the net loss after tax and total comprehensive loss of its associate and joint venture for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure 1.
5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

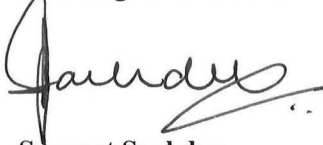
Limited Review Report on unaudited quarterly consolidated financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Supreet Sachdev

Partner

Membership Number: 205385

UDIN: 19205385AAAAAI1245

Place: Bengaluru

Date: 6 August 2019

Limited Review Report on unaudited quarterly consolidated financial results of Titan Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

Annexure I to the Limited Review Report

List of entities included in the unaudited consolidated financial results:

Entity	Relationship
Titan Company Limited	Parent
Titan Engineering & Automation Limited	Subsidiary
Carat Lane Trading Private Limited	Subsidiary
Favre Leuba AG, Switzerland	Subsidiary
Titan TimeProducts Limited	Subsidiary (till 18 June 2018)
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





TITAN COMPANY LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

₹ in lakhs

PART I Particulars	3 months ended			Year ended
	30-06-2019 (Unaudited)	31-03-2019 (Audited) ⁷	30-06-2018 (Unaudited)	31-03-2019 (Audited)
I. Revenue from operations (Refer note 5)				
- Sale of products/ services	509,510	482,349	440,657	1,959,206
- Other operating revenues	5,599	6,528	4,446	18,646
II. Other income	5,708	5,629	3,613	18,294
III. Total income (I + II)	520,817	494,506	448,716	1,996,146
IV. Expenses:				
Cost of materials and components consumed	315,958	359,209	218,801	1,223,063
Purchase of stock-in-trade	65,290	54,914	59,093	294,003
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(7,208)	(61,552)	45,437	(77,641)
Employee benefits expense	28,283	28,655	23,932	101,927
Finance costs	3,385	1,249	1,089	5,254
Depreciation and amortisation expense	7,595	4,084	4,074	16,284
Advertising	15,183	13,827	15,544	59,920
Other expenses	40,261	48,974	34,009	177,431
IV. Total expenses	468,747	449,360	401,979	1,800,241
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)	52,070	45,146	46,737	195,905
VI. Share of profit/ (loss) of:				
- Associate	17	(2)	(11)	7
- Joint Venture	(109)	9	(36)	(223)
VII. Profit before exceptional item and tax (V - VI)	51,978	45,153	46,690	195,689
VIII. Exceptional item	-	-	-	-
IX. Profit before tax (VII - VIII)	51,978	45,153	46,690	195,689
X. Tax expense:				
Current tax	15,108	15,915	13,507	61,750
Deferred tax	496	(5,592)	368	(4,926)
X. Total tax	15,604	10,323	13,875	56,824
XI. Profit for the year (IX-X)	36,374	34,830	32,815	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	(647)	(110)	(1,510)	(2,857)
- Income-tax on (i) above	184	26	421	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	(11,105)	4,859	9,450	4,498
- Exchange differences in translating the financial statements of foreign operations	99	(170)	47	(5)
- income-tax on (ii) above	3,197	(1,356)	(2,658)	(1,230)
XII. Total other comprehensive income	(8,272)	3,249	5,750	1,242
XIII. Total comprehensive income (XI+XII)	28,102	38,079	38,565	140,107
Profit for the period attributable to:				
- Owners of the Company	36,619	35,359	33,146	140,415
- Non-controlling interest	(245)	(529)	(331)	(1,550)
	36,374	34,830	32,815	138,865
Other comprehensive income for the period attributable to:				
- Owners of the Company	(8,272)	3,266	5,750	1,259
- Non-controlling interest	-	(17)	-	(17)
	(8,272)	3,249	5,750	1,242
Total comprehensive income for the period attributable to:				
- Owners of the Company	28,347	38,625	38,896	141,674
- Non-controlling interest	(245)	(546)	(331)	(1,567)
	28,102	38,079	38,565	140,107
XIV. Paid up equity share capital (face value ₹ 1 per share):	8,878	8,878	8,878	8,878
XV. Other equity:				598,137
XVI. Earnings per equity share of ₹ 1: (based on net profit for the period (XI)) Basic and diluted (not annualised)	4.12	3.98	3.73	15.82

See accompanying notes to the unaudited consolidated financial results





TITAN COMPANY LIMITED

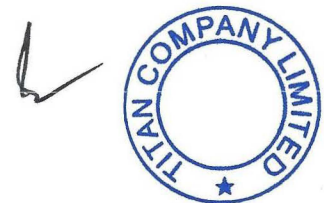
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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

SEGMENT INFORMATION (Refer note 6)

₹ in lakhs

Particulars	3 months ended			Year ended
	30-06-2019 (Unaudited)	31-03-2019 (Audited) ⁷	30-06-2018 (Unaudited)	31-03-2019 (Audited)
Segment revenues and profit and loss				
a) Sales / Income from segments				
Watches	71,611	53,119	59,626	244,749
Jewellery	416,410	410,537	364,259	1,639,006
Eyewear	14,878	12,773	13,157	50,879
Others	13,063	13,873	8,528	48,335
Corporate (unallocated)	4,855	4,203	3,146	13,177
Total	520,817	494,506	448,716	1,996,146
b) Profit / (Loss) from segments before finance costs and taxes				
Watches	11,915	1,233	9,955	26,675
Jewellery	43,697	49,894	38,416	190,804
Eyewear	(1,143)	(449)	174	(238)
Others	(358)	224	(965)	125
Corporate (unallocated)	1,252	(4,500)	199	(16,423)
	55,363	46,402	47,779	200,943
Finance costs	3,385	1,249	1,089	5,254
Profit before taxes including share from Associate and Joint Venture.	51,978	45,153	46,690	195,689
c) Segment assets and liabilities				
Segment assets				
Watches	188,219	155,956	153,184	155,956
Jewellery	771,418	731,507	573,913	731,507
Eyewear	50,058	39,447	29,623	39,447
Others	59,226	50,226	41,171	50,226
Corporate(Unallocated)	294,676	194,389	239,243	194,389
Total	1,363,597	1,171,525	1,037,134	1,171,525
Segment liabilities				
Watches	73,253	46,462	49,208	46,462
Jewellery	601,976	479,574	403,929	479,574
Eyewear	25,492	12,705	8,233	12,705
Others	20,615	13,166	12,685	13,166
Corporate(Unallocated)	16,029	11,195	16,201	11,195
Total	737,365	563,102	490,256	563,102





TITAN COMPANY LIMITED

CIN : L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

Notes:

1 Unaudited standalone financial results for the quarter ended 30 June 2019 can be viewed on the website of the Company, National Stock Exchange of India Limited (NSE) and BSE Ltd. Information of unaudited standalone 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
	30-06-2019 (Unaudited)	31-03-2019 (Audited) ⁷	30-06-2018 (Unaudited)	31-03-2019 (Audited)
Revenue from operations	493,966	467,206	431,885	1,906,997
Profit before tax	52,285	39,500	48,698	192,737
Net profit for the period (after tax)	37,073	29,458	34,917	137,436
Total comprehensive income	28,702	32,975	40,696	138,909

2 The unaudited 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. For the quarter ended 30 June 2019, the implementation of Ind AS 116 resulted in lower Profit before tax by ₹ 244 lakhs on account of higher interest cost and depreciation offset by reversal in rent expense. 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".

4 The unaudited consolidated financial results includes results of:

Subsidiaries

Favre Leuba A G, Switzerland
Titan TimeProducts Limited (till 18 June 2018)
Titan Engineering & Automation Limited
Titan Watch Company Limited, Hong Kong
(100% subsidiary of Favre Leuba A G)
Carat Lane Trading Private Limited

Jointly controlled entity

Montblanc India Retail Private Limited

Associate Company

Green Infra Wind Power Theni Limited

5 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. Accordingly, the Group has included the results of Titan TimeProducts Limited from 1 April 2018 to 18 June 2018 in its unaudited consolidated financial results for the quarter ended 30 June 2018 and audited consolidated financial results for the year ended 31 March 2019. Consequently, the Group has recognised profit on sale of investment amounting to ₹ 487 lakhs under the head "Other income" during the quarter ended 30 June 2018 and year ended 31 March 2019.

6 The Group is structured into four verticals namely Watches, 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).

7 The figures for the quarter ended 31 March 2019 are a balancing figure between the audited figures of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31 March 2019.

8 The statutory auditors have carried out limited review of the unaudited consolidated financial results for the quarter ended 30 June 2019 and have issued an unmodified review report.

9 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 2019). The provision currently reflects the exposure that may arise given the uncertainty. The Group, however, continues to monitor developments in this matter and is committed to take steps including legal actions that may be necessary to ensure full recoverability.

10 The unaudited consolidated financial results of the Group for the quarter ended 30 June 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 6 August 2019.

for and on behalf of the Board of Directors


Bhaskar Bhat
Managing Director

Place: Hosur
Date: 6 August 2019

