



SEC 01 / 2020-21

8th April 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: Quarterly Update – Q4 FY 2019-20

This is to provide the quarterly update for Q4 of FY 2019-20 as furnished in the attached document.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

A handwritten signature in blue ink, appearing to read "Dinesh Shetty", with a long horizontal stroke extending to the right.

Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated

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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8th April, 2020

Quarterly Update: Q4 FY '20

The quarter commenced well with the growth largely in line with our targets till the beginning of March. In the early stages of the corona virus epidemic, it was thought that the epidemic might be restricted to China and therefore the concern was essentially on supply chain disruptions. However as the epidemic spread and WHO announced it as a pandemic, sales started dipping sharply in March particularly in the Watches segment. Shopping malls were also ordered to be closed in early March in some states. In this difficult period, considering the interest of all of its stakeholders has been the priority of the Company. For the safety of the employees, the Company adopted work from home policy across all its offices starting from 17th March. All stores were closed on the 22nd March in deference to the exhortation of the Prime Minister and continue to remain closed post the nation-wide lockdown announced by the Prime Minister from midnight of 24th March.

The Company, in line with its commitment to the interest of all its stakeholders is reaching to all associates and vendors and other business partners to ensure that they are capable of managing the crisis and also ensuring salaries are paid in time to all the employees, direct and indirect. The company is also ensuring that there are no disruptions in payments to vendors, particularly MSMEs.

Ravi Kant, CEO of Watches, retired on 31st March 2020 after serving the Company for 32 years. Ravi was the guiding force for the Eyewear division as its first CEO. He took over as CEO of the Watches Division in 2015 and has led its journey and turnaround in the last five years. Suparna Mitra who was Head of Sales & Marketing of Watches and has spent 20 years in Company, has been appointed as CEO of the division.

Sandeep Kulhalli, Sr. VP Sales and Marketing of the Jewellery division also retired on 31st March and is being succeeded by Arun Narayan, who has also been a long time Titanian.

Consequent to the serious disruptions in operations in March, revenue growth for the quarter and consequently for the year has been impacted severely. The company is working out its strategy to manage this crisis with particular focus on ensuring adequate liquidity is available till normalcy returns. Cost will be another major focus area for the company in these trying times.

Jewellery

Revenue for the division declined by 5% due to lost sales in the month of March. Revenue growth of Jan & Feb month was at about 16.5%. The diamond studded activation in the quarter did well and wedding jewellery sales continued to be good till the disruption. During the year, the division added 40 Tanishq stores, 1 Zoya store and 8 Mia stores for the year to date on net basis, with the retail space addition being ~151,000 sq. ft.

Watches & Wearables

The division grew by 1% despite the significant loss of sales in the month of March. Ecommerce was the fastest growing channel for both Q4 and full year. Retail sales in Large Format Stores or LFS (Shop-in-shops) also grew well aided by Valentine activation sales and new product introductions. Titan Connected X, a full touch screen smartwatch with analogue hands, was announced at the division's first wearables showcase, 'Titan NXT' held in Bangalore.

Titan collaborated with Khadi and Village Industries Commission (KVIC) to co-develop a set of two watches for men and women. These timepieces bring to life material innovation in watches by using authentic, hand spun khadi on the dial and strap. These watches were launched in a press event inaugurated by Honorable Union minister of MSME, Shri. Nitin Gadkari.

Under 'Nebula' brand which is for gold watches, 'Nebula Deccan Treasures' collection was launched priced between INR 95K to INR 3.5 lakhs. These watches come with Jadai, Moti Piroi and stone carving techniques, traditionally found in the Jewels of the Deccan.

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During the year, the division added 13 WOT stores, 11 Fastrack stores and 16 Helios stores, on net basis, adding ~15,000 sq. ft. of retail space.

Eye Wear

Growth was difficult for the division in the quarter primarily due to decline in trade channel but the disruption in March led to a 20% decline in revenues for the quarter. Growth for Jan & Feb month was flat.

'Smart Sunglasses' was launched during the quarter. Under Fastrack brand, three new collections were launched for Sunglasses – 'Go Skate', 'Blockers' and 'Blends.' In lens, 'Clear Sight' collection with improved functionalities was launched in the quarter.

The division added 47 stores during the year to date, on net basis, ending up with an increase of about ~31,000 sq. feet of retail space.

Other Businesses

Other businesses witnessed a strong growth of 42% during the quarter over the same period last year.

In Fragrances, Fastrack perfumes continue to increase its distribution reach and is now available across over 1,800 outlets and ecommerce channel. 'Taneira' opened two stores during the quarter, one each in Mumbai and Bangalore, taking the total store count for the business to twelve covering five cities. The brand launched 'Chakra', a workwear collection that was designed in-house.

Subsidiaries

TEAL

TEAL had a very good quarter with a growth of 39% for the quarter and 35% for the financial year. Both the automation division and the aerospace and defense divisions did exceptionally well in the year.

CaratLane

CaratLane's growth in Jan and February were excellent at 48% but the disruption in March (Caratlane was more impacted as many of the stores were located in malls that were shut in early March) resulted in a growth of 18% in the quarter. CaratLane launched 2 diamond jewellery collections in Q4 – Mandala and Royal Romance – both of which had a very good response from customers. CaratLane also launched charms for the first time under the Me & U Valentine's collection in 14 kt gold, offering a more affordable and meaningful option for Valentine's Day gifting to its customers. It also opened 10 new stores during the quarter, taking the total count to 92 by the end of the year.

For Titan Company Limited,

(Subramaniam S)

Chief Financial Officer

Titan Company Limited

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