

Rating Rationale

07 Feb 2023

Titan Company Limited

Brickwork Ratings reaffirms and withdraws the ratings for the Bank Loan Facilities and Commercial Papers of Titan Company Limited amounting to Rs. 7500 Crs.

Particulars

Facility/Instrument	Amount (Rs. Crs.)		Tenure	Ratings	
	Previous	Present		Previous (12 May 2022)	Present
Fund Based					
Cash Credit (Proposed)	550.00	550.00	Long Term	BWR AAA/ Stable Reaffirmation	BWR AAA/ Stable Reaffirmed/ Withdrawn
WCDL	450.00	450.00	Short Term	BWR A1+ Reaffirmation	BWR A1+ Reaffirmed/ Withdrawn
Gold Metal Loan/ Gold On Loan	4490.00	4490.00			
Gold Metal Loan/ Gold On Loan (Proposed)	510.00	510.00			
Commercial Paper	1500.00	1500.00			
Total	7500.00	7500.00	Rupees Seven Thousand Five Hundred Crores Only		

Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings;
The details of Commercial Papers are provided in Annexure-I, and the details of Bank Facilities are provided in Annexure-II

Rating Action/Outlook:

Brickwork Ratings (BWR) has reaffirmed and simultaneously withdrawn the bank loan and Commercial Paper (CP) ratings based on the request of Titan Company Limited (TCL) for rating withdrawal, written confirmation from the company about non-utilization and nil outstanding amount for the rated CPs, No Dues Certificate from Issuing and Payment Agent (IPA), and No Objection Certificates from the lenders. The rating reaffirmation continues to factor the company's strong parentage and support from the Tata group and TIDCO, strategic importance of TCL to the Tata group, established brand equity, experienced and professional management, and robust financial risk profile, supported by the company's consistent performance. The rating strengths are partially offset by exposure to regulatory interventions and gold price volatility, which impact the demand-supply scenario in the intensely competitive retail jewellery industry. Hence, in accordance with extant regulatory guidelines and BWR Rating Withdrawal Policy, ratings for the bank loan facilities and CPs amounting to Rs. 7500.00 Crs. of Titan Company Limited are reaffirmed and simultaneously withdrawn.



About the Company

Titan Company Limited was incorporated in 1984 at Hosur, Tamil Nadu, as a joint venture between the Tata Group (25.02%) and Tamil Nadu Industrial Development Corporation Limited (TIDCO) (27.88%). Initially incorporated as Titan Watches Limited in 1984, the company changed its name to Titan Industries Ltd. in September 1993 and subsequently in 2013, the name was changed to Titan Company Limited. The corporate office is in Bengaluru, and the manufacturing and assembly plants are in Hosur, Coimbatore (Tamil Nadu), Dehradun, Roorkee, Pantnagar (Uttarakhand), Chikkaballapur (Karnataka) and Sikkim. The company is structured into the four verticals of Watches, Jewellery, Eye Wear and Others, wherein Others includes Aerospace & Defence, Automation Solutions (part of subsidiary - TEAL), Accessories, Fragrances, Indian Dress Wear and Accessories. TCL is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The BSE included Titan Company Limited in its benchmark stock index SENSEX with effect from 23 December 2019.

Mr. S. Krishnan (Additional Chief Secretary, Industries Department, Tamil Nadu Government) is the chairman. Mr. Noel Naval Tata (Managing Director of Tata International) is the Vice Chairman, and Mr C K Venkataraman is the Managing Director. The board of directors includes seasoned and professional industry veterans.

Financial Performance:

Key Financial Indicators: Standalone

Particulars	Unit	31 March 2021	31 March 2022	31 December 2022
		Audited	Audited	Unaudited
Revenue	Rs. Crs.	20602.00	27210.00	28566.00
EBITDA	Rs. Crs.	1706.00	3279.00	3727.00
PAT	Rs. Crs.	877.00	2180.00	2600.00
Tangible Net worth [^]	Rs. Crs.	7490.00	9327.00	NA
Total Debt/ TNW *	Times	0.68	0.69	NA
Current Ratio	Times	1.74	1.71	NA

**Considering Gold on Loan as debt; ^After excluding intangible assets of Rs. 63 Crs.as on 31Mar2021 and Rs. 46 Crs. as on 31Mar2022*

Key Financial Indicators: Consolidated

Particulars	Unit	31 March 2021	31 March 2022	31 December 2022
		Audited	Audited	Unaudited
Revenue	Rs. Crs.	21644.00	28799.00	30215.00
EBITDA	Rs. Crs.	1730.00	3341.00	3790.00
PAT	Rs. Crs.	974.00	2198.00	2538.00
Tangible Net worth [^]	Rs. Crs.	7123.00	8965.00	NA
Total Debt/ TNW *	Times	0.76	0.79	NA
Current Ratio	Times	1.71	1.66	NA

**Considering Gold on Loan as debt;; ^After excluding intangible assets of Rs.379 Crs.as on 31Mar2021 and Rs.368 Crs. as on 31Mar2022*

Status of non-cooperation with previous CRA: NA

Any other information: Not applicable

Rating History for the last three years [including withdrawal and suspended]:

Sl. No.	Facility/ Instrument	Rating (Feb 2023)			Rating History				
		Type	Amount (Rs. Crs.)	Rating	2022 12May2022	2021 23Apr2021	2020		
Bank Loan Facilities									
1	Cash Credit (Proposed)	Long Term	550.00	BWR AAA/ Stable Reaffirmed and Withdrawn	BWR AAA/ Stable	BWR AAA/ Stable	24 Apr 2020 BWR AAA/ Stable 06 May 2020 BWR AAA/ Stable		
2	WCDL	Short Term	450.00	BWR A1+ Reaffirmed and Withdrawn	BWR A1+	BWR A1+	-		
3	Gold Metal Loan/Gold On Loan	Short Term	4490.00			BWR A1+ Reaffirmed and Withdrawn	BWR A1+	BWR A1+	24 Apr 2020 BWR A1+
4	Gold Metal Loan/Gold On Loan (Proposed)		510.00						06 May 2020 BWR A1+
Commercial Paper									
5	Commercial Paper	Short Term	1500.00	BWR A1+ Reaffirmed and Withdrawn	BWR A1+	BWR A1+	24 Apr 2020 BWR A1+ 06 May 2020 BWR A1+		
Total			7500.00	Rupees Seven Thousand and Five Hundred Crores Only					

Initial Rating: BWR AAA/Stable/A1+ for Rs. 1000 Crs. of Proposed Cash Credit and Rs. 4000 Crs. of Gold Metal Loan/Gold On Loan on 03Jun2019

Amount rated on 24Apr2020: Rs. 900 Crs. of Proposed Commercial Paper and Rs. 5000 Crs. of bank loan facilities

Amount rated on 06May2020: Rs. 600 Crs. of Proposed Commercial Paper, Rs. 900 Crs. of Commercial Paper and Rs. 5000 Crs. of bank loan facilities

Amount rated on 23Apr2021: Rs. 1500 Crs. of Proposed Commercial Paper and Rs. 5000 Crs. of bank loan facilities

Amount rated on 12May2022: Rs. 1500 Crs. of Proposed Commercial Paper and Rs. 6000 Crs. of bank loan facilities

Complexity Levels of the Instruments: Simple

For more information, visit <https://www.brickworkratings.com/download/ComplexityLevels.pdf>

Hyperlink/Reference to applicable Criteria:

• General Criteria	• Manufacturing Companies
• Approach to Financial Ratios	• Short Term Debt
• Consolidation of Companies	• Commercial Paper
• BWR Withdrawal Policy	

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Titan Company Limited
Annexure I : Instrument Details

Instrument	Issue Date	Amount (Rs. Crs.)	Coupon	Tenure	Maturity	ISIN
Commercial Paper	NA	1500.00	NA	7-365 days	NA	NA
Total		1500.00[^]	Rupees One Thousand Five Hundred Crores Only			

[^] Nil O/s as confirmed by the company and IPA.

Titan Company Limited
Annexure II : Bank Loan Facilities

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
1	Proposed	Cash Credit	550.00	-	550.00
2	HDFC Bank	WCDL	-	450.00	450.00
3		Gold Metal Loan/ Gold on Loan	-	1500.00	1500.00
4	ICICI Bank	Gold Metal Loan/ Gold on Loan	-	2490.00	2490.00
5	Axis Bank	Gold Metal Loan/ Gold on Loan	-	500.00	500.00
6	Proposed	Gold Metal Loan /Gold on Loan	-	510.00	510.00
TOTAL - Rupees Six Thousand Crores Only					6000.00



Titan Company Limited
Annexure III : Subsidiaries and Associates included in the Consolidated Annual Financial results as on 31 Mar 2022

Sl. No	Name	Holding (%)	Extent of consolidation	Subsidiary/Associate/JV
1	Titan Engineering & Automation Ltd	100.00	Full	Subsidiary
2	CaratLane Trading Pvt Ltd	72.31	Full	Subsidiary
3	Favre Leuba AG, Switzerland	100.00	Full	Subsidiary
4	Titan Holdings International FZCO	100.00	Full	Subsidiary
5	Titan Commodity Trading Limited	100.00	Full	Subsidiary
6	TCL North America Inc.	100.00	Full	Subsidiary
7	Titan Global Retail LLC	100.00	Full	Subsidiary of Titan Holdings International FZCO
8	TEAL USA Inc.	100.00	Full	Subsidiary of Titan Engineering & Automation Limited
9	StudioC Inc.	100.00	Full	Subsidiary of Caratlane Trading Private Limited
10	Titan Watch Company Limited, Hong Kong	100.00	Full	Subsidiary of Favre Leuba AG, Switzerland
11	Green Infra Wind Power Theni Ltd	26.79	Equity Method	Associate

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