

June 03, 2022

Titan Company Limited: Migration of the rating outstanding on the medium-term rating scale to the long-term rating scale

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed deposit programme	3,500.0	3,500.0	[ICRA]AAA (Stable); migrated from MAAA (Stable)
Fund Based/Non-fund based limits	1,700.00	1,700.00	[ICRA]AAA(Stable)/[ICRA]A1+; outstanding
Commercial Paper programme	1,500.00	1,500.00	[ICRA]A1+; outstanding
Total	6,700.00	6,700.00	

Rationale

In compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43 of April 1, 2022, for standardizing the rating scales used by the Credit Rating Agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programme of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of Titan Company Limited from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another, and not as a reflection of a change in the credit risk of the fixed deposit programme.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in Gold Jewellery - Retail Industry
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of the company.

About the company

Titan Company Limited (Titan), formerly Titan Industries Limited, was incorporated in 1984 as a joint venture (JV) between the Tata Group and Tamil Nadu Industrial Development Corporation Limited (TIDCO). At present, the Tata Group and TIDCO hold 25.04% and 27.88% shares, respectively, in Titan. The rest is held by institutional investors and the public. Titan is a market

leader in the domestic branded jewellery market (with Tanishq, Caratlane, Zoya and Mia brands) and in the domestic wristwatch segment (with brands such as Titan, Sonata, Fastrack and Xyls). In FY2021, the jewellery division and the watches division contributed around 90% and 7% to the consolidated revenues, respectively while the remaining came from sale of eyewear and other segments.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)						Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	O/s on March 31, 2021 (Rs. crore)	Date & Rating in			Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020
					June 03, 2022	April 29, 2022	April 4, 2022		June 28, 2021	Mar 15, 2021	
1	Fixed Deposits	Long-term	3,500.0	-	[ICRA]AAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)
2	Fund-based/ Non-fund based facilities	Long-term / Short term	1,700.0	-	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AA+ (Positive) / [ICRA]A1+	[ICRA]AA+ (Positive) / [ICRA]A1+
3	Commercial Paper	Short term	1,500.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fixed Deposits	Very Simple
Fund-based/Non-fund based facilities	Simple
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fixed deposits	-	-	-	3,500.00	[ICRA]AAA (Stable)
NA	Fund-based/Non-fund based facilities	-	-	-	1,700.00	[ICRA]AAA(Stable)/ [ICRA]A1+
Not placed	Commercial Paper	-	-	30-180 days	1,500.00	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Favre Leuba AG Switzerland	100.00%	Full Consolidation
Titan Engineering & Automation Limited	100.00%	Full Consolidation
Titan Watch Company Hong Kong Limited	100.00%	Full Consolidation
Carat Lane Trading Private Limited	72.31%	Full Consolidation
StudioC Inc	100.00%	Full Consolidation
Green Infra Wind Power Theni Limited	26.79%	Equity Method
Titan Holdings International FZCO, Dubai	100.00%	Full Consolidation
Titan Global LLC, Dubai	100.00%	Full Consolidation
Titan Commodity Trading Limited	100.00%	Full Consolidation

Source: Titan annual report FY2021

Note: ICRA has taken a consolidated view of the parent (Titan), its subsidiaries and associates while assigning the ratings.

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