



TITAN COMPANY LIMITED

Registered Office: 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu.
E-mail: investor@titan.co.in Website: www.titancompany.in Tel.: +91-80-6704 7000 CIN: L74999T1984PLC001456
A TATA Enterprise

FORM DPT-1 CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS [Pursuant to Section 73 (2)(a) and Section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

Sl. No.	PARTICULARS	INFORMATION	
1. GENERAL INFORMATION			
a.	Name, address, website and other contact details of the company.	Titan Company Limited, No. 3, SIPCOT Industrial Complex, Hosur, 635 126, Tamil Nadu. www.titancompany.in, Ph.: 04344 - 276037	
b.	Date of incorporation of the company.	28 th July, 1984	
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	The Company is engaged in business of: - Watches and Wearables - Jewellery - Eyewear - Others (Accessories, Fragrances and Indian dress wear) BUSINESS CARRIED ON BY THE SUBSIDIARIES OF THE COMPANY AS ON DATE: 1) Titan Engineering & Automation Limited (TEAL). In the business of precision engineering and automation. 2) CaratLane Trading Private Limited: One of India's leading e-commerce company with online and offline presence in which the Company has majority stake. 3) Favre Leuba AG, Switzerland: Owns the Favre Leuba brand and markets Premium Swiss made Watches 4) Titan Watch Company Limited, HongKong: Titan Watch Company is a subsidiary of the Company's subsidiary Favre Leuba AG, Switzerland. It has a capital of HK \$ 10,000 and no Profit and Loss account has been prepared as it has not yet commenced business. 5) Titan Holdings International FZCO, Dubai: Titan Holdings International FZCO is a company formed as a Free Zone Company on 22nd October 2019 with a view to carry out business activities and invest in the share capital of any other companies/entities either as a joint venture partner or as its wholly owned subsidiary company for carrying out business activities. 6) Titan Global Retail LLC, Dubai: Titan Global Retail LLC was formed on 15th December 2019 as a subsidiary of Titan Holdings International FZCO to carry out business activities and retail trade in the industry in which Titan Company operates. 7) Titan Commodity Trading Limited: Incorporated on 10th August 2020 to provide securities broking in commodity derivatives segment. The Company is a member of Multi Commodity Exchange of India Ltd (MCX). It is also registered with Securities and Exchange Board of India (SEBI). 8) Studio'nc Inc USA was incorporated on 11th February 2021 as a 100% subsidiary of CaratLane Trading Private Limited with the objective of retailing of jewellery in North America. 9) TEAL USA Inc. was incorporated on 15th April 2021 as TEAL's wholly owned subsidiary, with the objective of business development for its Aerospace Automation Solutions. 10) TCL North America Inc. USA was incorporated on 15th April 2021 as Titan's wholly owned subsidiary with the objective of carrying on business of jewelry retailing. DETAILS OF BRANCHES/ UNITS OF THE COMPANY: The Company has: - Regional offices at Bangalore, New Delhi, Mumbai and Kolkata - Manufacturing & assembly units at Hosur (Tamil Nadu), Coimbatore (Tamil Nadu), Chikkaballapur (Karnataka), Bommasandra (Karnataka), Chennai (Tamil Nadu), Mumbai (Maharashtra), Noida (Uttar Pradesh), Dehradun (Uttarakhand), Pantnagar (Uttarakhand), Kolkata (West Bengal) and Rangpo (Sikkim)	
d.	Brief particulars of the management of the company.	The Company is managed by the Managing Director and a team of professional managers, subject to the superintendence, control and direction of the Board of Directors	
e.	Names, addresses, DIN and occupations of the directors as on date.		
	Name	Address	
Mr. N. Muruganandam, IAS (Chairman)	Principal Secretary to the Government of Tamil Nadu, Industries Department, Secretariat, Chennai 600 009	00540135	
Mr. Pankaj Kumar Bansal, IAS	Principal Secretary / Chairman and Managing Director, Tamilnadu Industrial Development Corporation Limited, 19-A Rukmini Lakshminipathy Road, Egmore, Chennai - 600 008	05197128	
Mr. Anun Roy, IAS	Additional Secretary to the Government of Tamil Nadu, Industries Department, Chennai - 600 009.	01726117	
Mr. Bhaskar Bhat	No. 884, Chaitanya, Indiranagar I Stage, Bangalore-560038	00148778	
Mr. C K Venkataraman	"INTEGRITY", #193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bangalore 560100	06228157	
Mr. N. N. Tata	Bombay House, 24 Homi Mody Street, Mumbai - 400 001.	00024713	
Mr. Ashwani Puri	28/2, Friends Colony (West), New Delhi - 110 065.	00160662	
Mr. B. Santhanam	Saint-Gobain India Private Limited, 7th Floor, Sigapi Achi Building, 18/3 Rukmini Lakshminipathy Road, Egmore, Chennai - 600 008	00494806	
Mr. Pradyumna Vyas	E/5, Faculty House, Nr. Museum, Paldi, Ahmedabad, Gujarat - 380007	02359563	
Dr. Mohanasankar Sivaprakasam	Department of Electrical Engineering, Indian Institute of Technology Madras, Chennai 600036	08497296	
Ms. Sindhu Gangadharan	Villa 52, Prestige White Meadows, Saf Layout Road, Sathya Sai Layout, Whitefield, Bangalore - 560066	08572868	
Mr. Sandeep Singh	3302 A Wing, Vivarae, Jacob Circle, Mahalaxmi, Mumbai 400011	00422796	
f.	Management's perception of risk factors.	Titan Company Limited is a joint venture between the Tamil Nadu Industrial Development Corporation Limited and Tata Group and is listed on the BSE Limited and National Stock Exchange of India Limited. The Company has been in existence for over 35 years and has grown from a one product company to a multi divisional multi location entity with revenues of ₹20,602 crore and profits before tax of ₹1,233 crore for the year ended 31 st March 2021. The net worth of the Company is ₹7,553 crore (as on 31 st March 2021) and the Company has consistently paid equity dividends for 25 years. The Company does not have any long term debt in its capital. The monies being raised under the deposit scheme (Golden Harvest-(GH)) are purely advanced from its customers towards jewellery purchases and hence do not pose any financial risk except normal business risk that any company in business may face.	
g.	Details of default, including the amount involved, duration of default and present status, in repayment of	(i) Statutory dues: Nil (ii) Debentures and interest thereon: Nil (iii) Loan from any bank or financial institution and interest thereon: Nil	
2. PARTICULARS OF THE DEPOSIT SCHEME			
a.	Date of passing of Board resolution.	28 th June 2021	
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits.	13 th September 2014	
c.	Type of deposits, i.e., whether secured or unsecured.	Unsecured	
d.	(i) Amount which the Company can raise by way of deposits as per the Act & Rules made thereunder : (25% from Public - ₹1,893 crores; 10% from Members - ₹757 crores.) (ii) Aggregate of deposits actually held on: a) Last day of the immediately preceding financial year b) On the date of issue of circular or advertisement (as on 27 June 2021) (iii) Amount of deposits proposed to be raised (iv) Amount of deposit repayable within the next twelve months	₹2,650 crores ₹1,075 crores ₹1,441 crores ₹2,650 crores ₹1,441 crores	
e.	Terms of raising of deposits:		
	Duration of scheme	12 months scheme	
Key conditions	12 months jewellery purchase scheme, where the customer has to pay 10 installments and the scheme matures after the completion of 366 days from the date of joining the scheme. The scheme will allow the customer to pay 10 fixed monthly installments of minimum of ₹2,000/- or above (in multiples of ₹1,000). In a span of 10 months, customer has to pay one installment every month. The installments have to be paid as per the due dates based on the date of enrolment. The customer is mandatorily required to redeem before 400 days from the date of payment of first installment.		
Rate of interest	Since, it is a jewellery purchase scheme, there is no return offered as interest. However, discount is offered at the time of purchase of jewellery by the customer on purchasing full value of installments paid as below: - Discount offered under GH at the time of redemption of the scheme is 75% (seventy five percent) of 1 (one) month installment upon completion of 366 (three hundred and sixty six) days from the date of joining the scheme. - If a customer wishes to redeem prior to maturity and redeems after 300 (three hundred) days but before the completion of 366 (three hundred and sixty six) days, eligible discount will be ranging between 55% (fifty five percent) and 75% (seventy five percent) of 1 (one) month installment based on number of days. Such discount will be variable, based on when the deposit is redeemed by the customer. - Further, where a depositor does not redeem the deposit under GH within 400 (Four hundred) days; or pre-closes their account after 180 days and prior to 300 days, the Company shall refund the amounts aggregating to the instalments paid by the depositors until the date of the refund and provide a prorated discount voucher that the customers can utilize on purchase of jewellery from the Company for full value of instalments paid.		
Mode of payment	Cash/ Cheque/ DD/ ECS/ ACH/ Credit Card Electronic payment by way of monthly advances		
Mode of repayment	Redemption of the advance will generally be by way of purchase of jewellery. In case the customer requests refund in cash, payment will be made by cheque/ DD/ electronic transfer. In case the customer does not redeem within 400 days the installment amount would be refunded by way of cheque/ DD/ Electronic transfer. A discount voucher for the eligible discount amount will be provided which can be utilized subject to the conditions above.		
f.	Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid.	The Company has been operating these schemes for its customers with effect from 1st November 2014. This circular is being issued to continue to accept subscriptions during the balance period of FY 2021-22 & till the date of publication of the new circular in FY 2022-23. This circular shall be valid till 30 th September 2022 or the date of the Company's Annual General Meeting in 2022, whichever is earlier.	
g.	Reasons or objects of raising the deposits.	The Company has been operating the above jewellery scheme for more than a decade. As per the Companies Act, 2013 advances collected under these schemes are construed as deposits. For the Company, these schemes are customer acquisition programmes, whereas for the customer, these schemes provide an opportunity to purchase jewellery by paying installments on a monthly basis.	
h.	Credit rating obtained (i) Name of the Credit Rating Agency (ii) Rating obtained (iii) Meaning of rating obtained (iv) Date on which rating is obtained	ICRA Limited MAAA The outlook on the rating is 'stable'. MAAA is the highest-credit-quality rating assigned by ICRA. The rated deposits programme carries lowest credit risk. Valid till June 23 rd , 2022. June 25 th , 2021.	
i.	Short particulars of the charge created or to be created for securing such deposits, if any.	Unsecured and therefore not applicable	
j.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	Nil	
3. DETAILS OF ANY OUTSTANDING DEPOSITS			
a.	Amount outstanding:	₹1,075 crores	
b.	Date of acceptance:	On various dates	
c.	Total amount accepted:	₹1,909 crores (during the FY 2020-21 with different maturity dates)	
d.	Rate of interest:	Since it is a jewellery purchase scheme, there is no return offered as interest. However, discount ranging between 55% and 75% of one installment is offered to customer at the time of purchase of jewellery.	
e.	Total number of depositors:	397,093	
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:	Nil	
g.	Any waiver by the depositors, of interest accrued on deposits.	Nil	
4. FINANCIAL POSITION OF THE COMPANY			
a.	Profits of the company, before and after making provision for tax for the three financial years immediately preceding the date of issue of circular or advertisement		
	Financial Year	Profit Before Tax (₹ in crores)	
	2020-21	1,233	
	2019-20	2,105	
	2018-19	1,927	
		Profit After Tax (₹ in crores)	
	2020-21	877	
	2019-20	1,517	
	2018-19	1,374	
b.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)		
	Financial Year	Dividend Declared	
		Amount (₹ in crores)	
	2020-21	355	
	2019-20	355	
	2018-19	444	
		%	
	2020-21	400	
	2019-20	400	
	2018-19	500	
		Interest Coverage Ratio*	
	2020-21	57.05	
	2019-20	143.04	
	2018-19	1,198.12	
*Interest coverage ratio is computed only on the interest paid on borrowings and excludes interest paid on gold loan and interest on lease liability			
c.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement (figures of previous years were regrouped wherever necessary).		
	Particulars	As at 31-03-2021	
		As at 31-03-2020	
		As at 31-03-2019	
ASSETS			
(1) Non-current assets			
(a)	Property, plant and equipment	1,026	1,095
(b)	Capital work-in-progress	17	11
(c)	Right-of-use asset	854	870
(d)	Investment property	24	24
(e)	Intangible assets	55	64
(f)	Intangible assets under development	8	3
(g)	Financial assets		
(i)	Investments	759	909
(ii)	Loans receivable	146	141
(iii)	Other financial assets	178	159
(h)	Deferred tax assets (net)	105	172
(i)	Tax assets (net)	120	141
(j)	Other non-current assets	67	65
		3,359	3,654
(2) Current assets			
(a)	Inventories	7,984	7,741
(b)	Financial assets		
(i)	Investments	2,753	74
(ii)	Trade receivables	291	214
(iii)	Cash and cash equivalents	147	364
(iv)	Bank balances other than (iii) above	365	637
(v)	Loans receivable	103	54
(vi)	Other financial assets	187	458

	671	637	595
(c) Other current assets			
	12,501	9,534	9,085
TOTAL ASSETS	15,860	13,188	11,470
EQUITY AND LIABILITIES			
Equity			
(a)	Equity share capital	89	89
(b)	Other equity	7,464	6,736
		7,553	6,825
Liabilities			
(1) Non-current liabilities			
(a)	Financial liabilities		
(i)	Lease liability	971	967
(b)	Provisions	143	152
		1,114	1,119
(2) Current liabilities			
(a)	Financial liabilities		
(i)	Borrowings	-	626
(ii)	Gold on loan	4,094	1,507
(iii)	Lease liability	178	169
(iv)	Trade payables		
-	Total outstanding dues of micro and small enterprise	158	63
(v)	Other financial liabilities	218	191
(b)	Other current liabilities	1,905	2,123
(c)	Provisions	23	109
(d)	Current tax liabilities (net)	80	9
		7,193	5,244
TOTAL EQUITY AND LIABILITIES	15,860	13,188	11,470

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement (figures of previous years were regrouped wherever necessary).

Particulars	2020-21	2019-20	2018-19
(₹ in crores)			
A. Cash flow from operating activities			
Net profit before tax	1,233	2,105	1,927
Adjustments for			
- Depreciation/amortization expense	331	310	139
- Net unrealised exchange gain/(loss)	1	(3)	(2)
- (Gain)/ loss on sale/ disposal/ scrapping of property, plant & equipment (net)	6	(3)	4
- Gain on sale of investment in joint venture	(4)	-	-
- Provision for doubtful trade receivables(net) and bad trade receivables written off	34	2	(1)
- Interest income	(73)	(95)	(103)
- Dividend income	(24)	-	-
- Gain on investment carried at fair value through profit and loss	(34)	(31)	(45)
- Gain on pre-closure of lease contracts	(12)	(9)	-
- Rent Waiver	(57)	-	-
- Impairment of investment in subsidiary	137	-	215
- Finance costs	181	149	45
Operating profit before working capital changes	1,719	2,425	2,179
Adjustments for			
- (Increase)/ decrease in trade receivables	(78)	144	(164)
- (Increase)/ decrease in inventories	(243)	(1,021)	(970)
- (Increase)/ decrease in financial assets – loans receivables	(6)	(16)	(21)
- (Increase)/ decrease in other financial assets	245	(341)	5
- (Increase)/ decrease in other assets	(34)	53	(273)
- (Increase)/ decrease in other bank balances	-	-	(4)
- (Increase)/ decrease in gold on loan	2,587	(781)	684
- (Increase)/ decrease in trade payables	187	(263)	(14)
- (Increase)/ decrease in other financial liabilities	254	(282)	9
- (Increase)/ decrease in other current liabilities	(218)	295	414
- (Increase)/ decrease in provisions	(49)	35	26
Cash (used in)/ generated from operating activities before taxes	4,364	248	1,871
- Direct taxes paid, net	(263)	(637)	(622)
Net cash from/ (used in) operating activities	4,101	(289)	1,249
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property)	(111)	(310)	(226)
Proceeds from sale of property, plant and equipment	7	8	1
Purchase of investments in subsidiaries and other equity instruments	(30)	(101)	(150)
Loans repayment / (given to) received from Subsidiaries	2	(2)	-
Proceeds from sale of investment in joint venture / subsidiaries	43	-	19
Investment in Non-convertible debentures	(5)	-	-
Inter-corporate deposits placed	(150)	(100)	(910)
Proceeds from inter-corporate deposits	100	300	795
Bank deposits matured/ (placed), net	(60)	331	(487)
(Purchase)/ sale of mutual funds, net	(2,640)	27	(36)
Loan given to Company's franchisees and vendors	(97)	-	-
Proceeds from loan given to Company's franchisees and vendors	94	-	-
Dividends received from subsidiary	24	-	-
Lease payments received from sub-lease (excluding interest received)	19	21	-
Interest received	60	69	84
Net cash used in investing activities	(2,744)	243	(911)
C. Cash flow from financing activities			
(Repayment)/ proceeds from Borrowings (net)	(626)	626	-
Dividends paid including dividend distribution tax	(355)	(536)	(398)
Payment of lease liabilities (excluding interest paid)	(98)	(209)	-
Finance costs paid	(181)	(149)	(44)
Net cash used in financing activities	(1,260)	(268)	(442)
Net cash generated/(used in) during the year (A+B+C)	97	(314)	(104)
Cash and cash equivalents (opening balance)	50	364	466
Add/ (Less): Unrealised exchange (gain)/ loss	-	-	2
Cash and cash equivalents (closing balance)	147	50	364

Any change in accounting policies during the last three years and their effect on the profits and reserves of the company. The financial statements of the Company are prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013. Effective 1st April 2018, the Company has adopted Ind AS 115- Revenue from contracts with customers, which had nil impact on the profits and reserves of the Company. With effect from 1st April 2019, the Company has adopted Ind AS 116- Leases. The application of this standard has reduced retained earnings as on 1st April 2019 by ₹101 crores, net of taxes and has resulted in lower Profit before tax by ₹5 crores for the year ended 31 March 2020.

5. DECLARATION BY DIRECTORS

- The Board of Directors hereby declare that -
- the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest on such deposits and where a default has occurred, the Company made good the default and a period of five years had lapsed since the date of making good the default
 - they have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
 - the Company has complied with the provisions of the Act and the rules made thereunder;
 - the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
 - the deposits accepted by the Company before the commencement of the Act have been repaid and unclaimed amounts will be returned to customers and balance unclaimed subscription amounts will be treated as unsecured and ranking *pari passu* with other unsecured liabilities.
 - In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
 - the deposits shall be used only for the purposes indicated in the Circular or Circular in the form of advertisement;
 - the deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank *pari passu* with other unsecured liabilities of the Company.

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 28th June 2021, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

Date: 28th June 2021

Place: Bengaluru

BY ORDER OF THE BOARD
C K VENKATARAMAN
Managing Director

Independent Auditor's Certificate

The Board of Directors
Titan Company Limited,
"Integrity", #193, Veerasandra, Electronic City P.O.,
Off Hosur Main Road, Bengaluru, Karnataka - 560 100, India.

Dear Sirs,

- Independent Auditor's certificate pursuant to the requirement of Rule 4 of the Companies (Acceptance of Deposits) Rules, 2018 ("the Rules") relating to 'circular or circular in the form of advertisement inviting deposits' ("Form DPT 1") and Section 73 of the Companies Act, 2013 ("the Act")
- This report is issued in accordance with the terms of our engagement letter dated 12th October 2020 and addendum dated 1st June 2021.
 - We, B S R & Co. LLP, the statutory auditors of Titan Company Limited ("the Company") have been requested to certify that the Company has not committed default in the repayment of deposits which are outstanding as on 31st March 2021 as stated in Annexure 1.

Management's Responsibility

- The Company's Management is responsible for the preparation of the accompanying Form DPT 1 including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
- The Company's Management is responsible to repay/redeem the deposits as and when such deposits become due as per the scheme formulated by the Company. Also, the Company's Management is responsible for ensuring that the Company is in compliance with the requirements of the Rules relating to 'circular or circular in the form of advertisement inviting deposits' ("Form DPT 1") and Section 73 of the Act.

Auditor's Responsibility

- Our responsibility is to provide a reasonable assurance that the Company has not committed a default in the repayment of deposits which are outstanding as on 31st March 2021 as per the audited books of account and other relevant