

Board's Report

To the Members of Titan Company Limited

The Directors are pleased to present the Thirty-Eighth Annual Report and the Audited Financial Statements for the year ended 31st March 2022:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations	27,210	20,602	28,799	21,644
Other Income	246	181	234	186
Total Income	27,456	20,783	29,033	21,830
Expenditure	23,931	18,901	25,458	19,920
Profit before exceptional items, finance costs, depreciation and taxes	3,525	1,882	3,575	1,910
Finance Costs	195	181	218	203
Depreciation/Amortisation	347	331	399	375
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	2,983	1,370	2,958	1,332
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	-	(5)
Profit before exceptional items and taxes	2,983	1,370	2,958	1,327
Exceptional items	51	137	54	-
Profit before taxes	2,932	1,233	2,904	1,327
Income taxes				
- Current	779	351	786	360
- Deferred	(27)	5	(80)	(7)
Profit for the year	2,180	877	2,198	974
Attributable to				
- Shareholders of the Company	2,180	877	2,173	973
- Non-controlling interests	-	-	25	1
Profit brought forward	4,279	3,757	4,210	3,592
Appropriations				
Dividend on Equity Shares (excluding tax)	(355)	(355)	(355)	(355)
Closing Balance in Retained Earnings	6,104	4,279	6,028	4,210

1 a) Standalone Numbers:

During the year under review, the Company's total revenue grew by 32% to ₹ 27,210 crore compared to ₹ 20,602 crore in the previous year.

Profit before tax and exceptional items grew by 118% to ₹ 2,983 crore and the net profit grew by 149% to ₹ 2,180 crore.

The Watches & Wearables Division of the Company recorded revenue of ₹ 2,309 crore, a growth of 46%. The revenue from Jewellery Division grew by 35% touching ₹ 23,268 crore (excluding sale of bullion of ₹ 1,045 crore). The revenue from EyeCare Division grew by 38% to ₹ 517 crore.

New Businesses, viz. Indian Dress Wear Division and Fragrances & Fashion Accessories Division recorded revenue of ₹ 154 crore, a growth of 57% over the previous year. While the Indian Dress Wear Division grew by 43%, and the Fragrances & Fashion Accessories Division also recorded a growth of 65%.

All the Divisions have done very well during the year amidst various challenges.

The Management Discussion and Analysis report, which is attached, dwells into the performance of each of the business divisions and the outlook for the current year.

b) Consolidated Numbers

At the consolidated level, the revenue stood at ₹ 28,799 crore as against ₹ 21,644 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 17 of this Report.

2. Company's Response to COVID- 19

The Company witnessed strong demand across its consumer businesses with the major businesses achieving significant revenue uplift and ending the year on a strong note. The underlying demand continued to be strong across all of its businesses with most segments posting Y-o-Y growth over a very strong base from the fourth quarter of the previous year. The network expansion and marketing campaigns have progressed very well during the year under reporting.

However, during the first quarter of the year, the Company's focus was back on keeping everyone safe and few stores were proactively closed in the highly impacted towns. The initiative of customer outreach that brought in sales in the previous year was also not

undertaken considering that the humanitarian impact on consumers was severe and widespread during the second wave of the pandemic.

The Company drove vaccination campaigns as the top priority and almost all the store staff and employees got at least their first dose during June – September 2021 period, which was an important step towards bringing back normalcy.

During the second quarter, the Company witnessed a strong recovery in demand after the second wave across its consumer businesses with sales moving swiftly above or close to pre-pandemic levels in most of the Divisions. Most stores were fully operational, barring a few in select towns having localized restrictions, with overall store operation days exceeding 90% for the quarter. Apart from its thrust on digital and omnichannel, the Company also accelerated its retail network expansion during the second quarter.

The Company finished the year on a satisfactory note despite the last quarter of the year getting disrupted twice - first due to the partial lockdowns caused by the Omicron wave in January and again during the month of March in which consumer sentiments got affected adversely due to sharp increase and volatility in gold prices and uncertainty due to a fragile geopolitical situation. The underlying demand continued to be strong across all of its businesses with most segments posting growth over a very strong base in the last quarter of the previous year.

3. Dividend

Considering the excellent performance of the Company during the last financial year, the Board of Directors are pleased to recommend the payment of dividend on equity shares at the rate of 750% (i.e. ₹ 7.50 per equity share of ₹ 1 each), subject to approval by the shareholders, at the ensuing Annual General Meeting ("AGM") and payment is subject to deduction of tax at source as may be applicable. This payment represents a dividend payout ratio of 30.8%. The Dividend Distribution Policy, as amended by the Board at its meeting held on 29th April 2021, is annexed as **Annexure-III** to this Report.

4. Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for the Financial Year 2021-22 in the profit and loss account.

5. Finance

The year saw an excellent performance by all the businesses despite challenges of partial lockdowns and uncertainty in a fragile geopolitical situation during the year.

ICRA maintained the Company's long term rating of AAA with stable outlook. The Company continues to optimise its efficiency in inventory management and cash flow by selling excessive bullion as and when necessary.

6. Public Deposits

The Jewellery Division of the Company was successfully operating customer acquisition schemes for jewellery purchases for many years. When the Companies Act, 2013 (the "Act") became substantially effective on 1st April 2014, the Company had around seven lakh subscribers contributing to these schemes. However, these schemes were exempt under the Companies Act, 1956 relating to acceptance of public deposits, as such schemes were not covered in the definition of deposits. Under the Act and the Rules made thereunder ('Deposit Regulations') the scope of the term "deposit" was enlarged and therefore a view was taken that the jewellery purchase schemes offered by the Company to its customers would be treated as public deposits. Thereupon, the Company discontinued fresh enrolment of subscribers and initiated steps to close the erstwhile customer schemes, which were wound down in August 2014.

Under the Deposit Regulations as amended from time to time, a company is permitted to accept deposits subject to applicable provisions, to the extent of 10% of the aggregate of the paid-up share capital, securities premium account and free reserves from its Members & 25% of the aggregate of the paid-up share capital, securities premium account and free reserves from the Public after prior approval by way of special resolutions passed by the Members in this regard. Requisite approval was obtained from the Members of the Company and a new programme for customers to purchase jewellery (under the Jewellery Purchase Plan) was launched in November 2014 in compliance with the Deposit Regulations.

The details relating to deposits, covered under Chapter V of the Act are as under:

- (a) accepted during the year: ₹ 2,701 crore
- (b) remained unpaid or unclaimed as at the end of the year: ₹ 1,574 crore

- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

- (i) at the beginning of the year : Nil
- (ii) maximum during the year : Nil
- (iii) at the end of the year : Nil

There are no deposits that have been accepted by the Company that are not in compliance with the requirements of Chapter V of the Act.

7. Material Changes and Commitments Affecting Financial Position between the end of the Financial Year and Date of Report

There have been no material changes and commitments for the likely impact affecting financial position between the end of the financial year and the date of the Report.

8. Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

9. Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

During the year under review, the Company had invested ₹ 8 crore (CHF 1 million) as application money towards equity stake in Favre Leuba AG (FLAG). The Company had also invested ₹ 1 crore (USD 0.15 million) as subscription to Equity Share capital and ₹ 160 crore (USD 20 million) as application money towards equity stake in TCL North America Inc., a wholly owned subsidiary formed during the year.

10. Integrated Report

The Company has, over the last four years, taken steps to move towards Integrated Reporting in line with its commitment to voluntarily disclose more information to stakeholders on all aspects of the Company's business. Accordingly, the Company had introduced key content elements of Integrated Reporting <IR> aligned to the International Integrated Reporting Council Framework (IIRC) in the Annual Report of the previous years and has disclosed more qualitative data in the Annual Report of this year. Similar to earlier years, the relevant information has been provided in this year's Annual Report as well.

11. Adequacy of Internal Controls and Compliance with Laws

During the year, the Company has reviewed its Internal Financial Control systems and has continually contributed to the establishment of a more robust and effective internal financial control framework, prescribed under the ambit of Section 134(5) of the Act. The preparation and presentation of the financial statements is pursuant to the control criteria defined considering the essential components of Internal Control - as stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

The control criteria ensure the orderly and efficient conduct of the Company's business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has an adequate Internal Financial Controls system that is operating effectively as of 31st March 2022.

There were no instances of fraud which necessitated reporting of material misstatements to the Company's operations.

There has been no communication from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

12. Board Meetings

During the year under review, nine Board meetings were held, details of which are provided in the Corporate Governance Report.

13. Audit Committee and other Board Committees

The details pertaining to the composition of the Audit Committee and its role are included in the Corporate Governance Report, which is a part of this Annual Report. In addition to the Committees mentioned in the Corporate Governance Report, the Company has a Corporate Social Responsibility Committee, the details of which are covered in **Annexure-II** to this Report.

14. Risk Management

Pursuant to the requirements of Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR),

the Company has constituted a Risk Management Committee (RMC), consisting of Board members and senior executives of the Company.

The Company has in place a Risk Management framework to identify, and evaluate business risks and challenges across the Company, both at the corporate level as also separately for each business division. The Company has a robust process for managing the top risks, overseen by the RMC. As part of this process, the Company has identified the risks with the highest impact and then assigned a likely probability of occurrence. Mitigation plans for each risk have also been put in place and are reviewed by the Management every six months before presenting to the RMC. The RMC has set out a review process to report to the Board on the progress of the initiatives for the major risks of each of the businesses. The Company has also engaged a reputed firm to design an enterprise level Business Continuity Plan including Disaster Recovery scenario, considering the increasing size and complexity of the various businesses of the Company.

15. Related Party Transactions

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval of Independent Directors of the Company and the Board for approval, if required. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are verified by the Internal Auditor and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval, if applicable, on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions except to the extent of sitting fees and commission paid to the Directors and to Mr. Bhaskar Bhat to whom the Company pays monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company in the month of September 2019. The details of the transactions with related parties during the year under review are

provided in the accompanying financial statements. There were no transactions during the year under review which would require to be reported in Form AOC-2.

16. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2022, the Company had the following subsidiaries/Associate/Joint Venture:

Sl. No.	Name of the Subsidiary/ Associate/Joint Venture	Relationship
1	Favre Leuba AG, Switzerland (FLAG)	Subsidiary
2	Titan Watch Company Limited, Hong Kong	Step-down Subsidiary
3	Titan Engineering & Automation Limited (TEAL)	Subsidiary
4	CaratLane Trading Private Limited (CaratLane)	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Titan Holdings International FZCO, Dubai	Subsidiary
7	Titan Global Retail LLC, Dubai	Step-down Subsidiary
8	Titan Commodity Trading Limited	Subsidiary
9	TCL North America Inc. (from 15 th April 2021)	Subsidiary
10	TEAL USA Inc. (from 15 th April 2021)	Step-down Subsidiary
11	StudioC Inc., USA	Step-down Subsidiary

During the Financial Year 2021-22, Favre Leuba AG had registered a turnover of CHF 0.23 million i.e., ₹ 2 crore against the previous year's figures of CHF 1.04 million, i.e., ₹ 8 crore and loss of CHF 1.25 million, i.e., ₹ 28 crore (previous year: CHF 7.34 million, i.e., ₹ 58 crore). During the Financial Year 2021-22, the Company has invested CHF 1 million (₹ 8 crore) in Favre Leuba AG as share application money.

Titan Watch Company Limited is a subsidiary of Favre Leuba AG and hence is a step-down subsidiary of the Company. It has a capital of HK \$ 10,000 and no Profit and Loss Account has been prepared.

During the Financial Year 2021-22, TEAL generated an income of ₹ 378 crore against the previous year's figures of ₹ 354 crore, an increase of 7% and the profit before tax was at ₹ 21 crore against the previous year's figures of ₹ 40 crore.

CaratLane is engaged in the business of manufacturing and retailing of jewellery products and has a significant

online presence. During the last year, CaratLane's performance was very good with strong double-digit growths recorded in retail sales, with great emphasis on omnichannel selling. CaratLane added 21 stores in the year to take the store count to 138. During the Financial Year 2021-22, CaratLane registered a turnover of ₹ 1,256 crore (previous year: ₹ 716 crore) and recorded profit before taxes of ₹ 39 crore as against the previous year's figures of ₹ 2 crore.

Titan Holdings International FZCO (Titan Holdings) was formed as a Free Zone Company 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. Titan Holdings incurred a loss of AED 0.87 million (₹ 2 crore) against the previous year's loss of AED 0.60 million (₹ 1 crore).

During the Financial Year 2021-22, Titan Global Retail LLC registered a turnover of AED 55.14 million (₹ 112 crore) (previous year AED 19.20 million – ₹ 39 crore) and incurred a loss of AED 11.53 million (₹ 23 crore) against the previous year's loss of AED 2.47 million (₹ 5 crore).

During the Financial Year 2021-22, Titan Commodity Trading Limited (TCTL) commenced operations of hedging of gold for Titan. TCTL registered an income of ₹ 5.21 crore and a profit before tax of ₹ 0.95 crore.

TCL North America Inc., was incorporated during the year as a wholly-owned subsidiary. However, the company has not started any operations as of 31st March 2022.

TEAL USA Inc., was incorporated during the year as a wholly-owned subsidiary of Titan Engineering & Automation Limited. However, the company has not started any operations as of 31st March 2022.

The Company holds 26.79% stake in Green Infra Wind Power Theni Limited which supplies energy to the Company.

None of these subsidiary companies declared a dividend for the Financial Year 2021-22.

The annual accounts of these subsidiary companies/JV companies were consolidated with the accounts of the Company for the Financial Year 2021-22.

The statement containing salient features of the financial statement of subsidiaries/associate company/joint venture in Form AOC-1 forms part of the Annual Report.

17. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in **Annexure-I** to the Board's Report.

18. Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR Policy of the Company and as per the Annual Action Plan, and excluding activities undertaken in pursuance of its normal course of business. In addition to the projects specified as CSR activities under Section 135 of the Act, the Company has also carried out several other sustainability/responsible business initiatives and projects. The Company has spent the entire 2% of the net profits earmarked for CSR projects during the year under review. A report on CSR pursuant to Section 135 of the Act and Rules made thereunder is attached in **Annexure-II**.

19. Annual Return

The Annual Return as required under Section 92 and Section 134 the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at - <https://www.titancompany.in/sites/default/files/MGT-7.pdf>.

20. Vigil Mechanism

The Company has a whistle blower mechanism wherein the employees can approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Insider Trading Code. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event an employee becomes aware of, that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concern. No person has been denied access to the Chairman to report any concerns. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website at https://www.titancompany.in/sites/default/files/Whistle%20Blower%20Policy_1.pdf.

21. Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with.

22. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In a continuous effort to sustain the respectful and safe work culture at the Company, various means to prevent, prohibit and redress concerns are adopted by the Company.

The Ethics Committee and the Committee on Prevention of Sexual Harassment (POSH) work closely with the Board Ethics Committee and obtains inputs and feedback for improvement from time to time.

Besides the core committee on POSH (having senior-level representation from across the Company), 16 locational committees have been formed to ensure both spread and coverage of the implementation of the requirements of the POSH Act, 2013.

The Policy acknowledges the virtual workplaces that are a norm and all stakeholders are ensured a safe working environment in such remote conditions as well. Titan has also included the collaborations by partnering with associated companies (manpower agencies, consultants) in granting recourse to aggrieved persons by forming joint Internal Complaints Committee to look into such matters. An elaboration of the penalties that could be applicable as per the Disciplinary Procedure and Policies manual and related processes has also been updated.

The Company shares best governance practices with its business associates to influence and impact more work communities. In an effort to encourage business associates to adopt the Policy for their own enterprises, masterclasses are conducted highlighting the importance of compliance and the consequences of good governance.

The virtual communication cascades by using innovative radio plays to heighten awareness on this subject continues to be conducted regularly across the diverse ecosystems of the Company (manufacturing, retail and offices, vendors and partners) covering a total of 50 sessions involving 6,226 stakeholders across the board.

During the year under reporting, the Company received 7 complaints on sexual harassment, all were disposed-off with appropriate action taken as on 31st March 2022.

23. Details in Respect of Frauds Reported by Auditors Under Sub-Section (12) of Section 143 other than those which are Reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

24. Corporate Governance and Management Discussion and Analysis

As per SEBI LODR, Management Discussion and Analysis, Corporate Governance Report and Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

Pursuant to Regulation 34 of the SEBI LODR, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the SEBI LODR, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March 2022.

25. Business Responsibility Report

As stipulated under the SEBI LODR, the Business Responsibility Report (BRR) describing the initiatives undertaken by the Company from an environment, social and governance perspective is attached and forms part of this Annual Report.

26. Directors and Key Managerial Personnel

Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas, Dr. Mohanasankar Sivaprakasam Ms. Sindhu Gangadharan and Mr. Sandeep Singhal were the Independent Directors during the entire Financial Year 2021-22.

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules,

2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. N N Tata retires by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

During the course of the year under review, Tamilnadu Industrial Development Corporation Limited (TIDCO) had withdrawn the nominations of Mr. Arun Roy and Mr. N Muruganandam as its nominee directors and had nominated Ms. Jayashree Muralidharan and Mr. S Krishnan in their place.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Mr. N Muruganandam and Mr. Arun Roy during their tenure as members of the Board.

Members' attention is drawn to Item No. 4 of the Notice for the re-appointment of Mr. N N Tata as a Director of the Company, liable to retire by rotation, Item No. 6 of the Notice for the appointment of Mr. S Krishnan as a Director of the Company, liable to retire by rotation, and Item No.7 of the Notice for the appointment of Ms. Jayashree Muralidharan as a Director of the Company, liable to retire by rotation.

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

27. Details of Key Managerial Personnel who were appointed or have resigned during the year

Pursuant to the provisions of Section 203 of the Act, Mr. C K Venkataraman – Managing Director, Mr. Ashok Sonthalia – Chief Financial Officer and Mr. Dinesh Shetty – General Counsel & Company Secretary are the Key Managerial Personnel of the Company. Mr. S Subramaniam retired from the services of the Company at the close of business hours on 30th June 2021 and Mr. Ashok Sonthalia took over as the Chief Financial Officer effective 1st July 2021.

28. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls

over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and operating effectively.

Accordingly, pursuant to the requirements of Section 134 (5) of the Act, the Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. Board Evaluation

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Board Nomination and Remuneration Committee (BNRC) and the Board. This was based on questionnaire responses and feedback from each Director. Based on the questionnaire, the performance of every Director was evaluated by the BNRC and presentation was made to the Board and an action plan was drawn accordingly.

The overall recommendations based on the evaluation were discussed by the Board and individual feedback from Directors was taken on record. The discussion quality was robust, well intended and led to clear direction and decision. Based on the outcome of the

evaluation, assessment and feedback of the Directors, the Board and the Management have agreed on various action points that would be implemented as per the agreed timelines. It was noted that the Board Committees function professionally and smoothly, and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

30. Independent Directors

A separate meeting of the Independent Directors ("Annual ID Meeting") was convened, which reviewed the performance of the Board (as a whole), the Non-Independent Directors and the Chairman. On an overall basis, the Independent Directors were highly satisfied with the functioning of the Board and its various Committees and the high level of commitment and engagement. Apart from this, the Independent Directors also appreciated the commitment and contributions of the Chairman and Vice Chairman of the Board in dealing with the Board matters as well as key strategic matters. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the BNRC with the Board covering the performance of the Board as a whole, the performance of the non-independent directors and the performance of the Chairman of the Board. The Board also suggested certain areas which require more focused attention from the Management of the Company in the current financial year.

31. Remuneration Policy

The Board has, on the recommendation of the BNRC, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

The remuneration to the Non-Executive and Senior Management Employees consists of various components as explained here.

Non – Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses, for participation in the Board/Committee meetings and Commission.

Senior Management Employees

The remuneration is divided into two components viz; fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive.

32. Policy on Directors' Appointment and Remuneration and other Details

In accordance with the Joint Venture Agreement between the Promoters, three Directors each may be nominated by Tata Sons Private Limited and Tamilnadu Industrial Development Corporation Limited.

The guidelines for selection of Independent Directors are as set out below:

The Board Nomination and Remuneration Committee oversees the Company's nomination process for Independent Directors and in that connection identifies, screens and reviews individuals qualified to serve as an Independent Director on the Board. The BNRC further has in place a process for selection and the attributes that would be desirable in a candidate and as and when a candidate is shortlisted, the BNRC will make a formal recommendation to the Board.

33. Other Disclosures

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year:

Sl. No.	Name of the director	Ratio (times)	% change
A] Director's remuneration			
1	Chairman ¹	5.90	NA
2	Mr. Arun Roy ¹	2.40	NA
3	Ms. Kakarla Usha ¹	0.84	NA
4	Ms. Jayashree Muralidharan ¹	5.67	NA
5	Mr. Pankaj Kumar Bansal ¹	6.08	NA
6	Mr. N N Tata ²	2.78	NA
7	Mr. Bhaskar Bhat	8.44	152.16
8	Mr. Ashwani Puri	12.25	154.31
9	Mr. B Santhanam	10.57	137.62
10	Mr. Pradyumna Vyas	7.54	166.50
11	Dr. Mohanasankar Sivaprakasam	9.76	146.88
12	Ms. Sindhu Gangadharan ¹	7.94	NA
13	Mr. Sandeep Singhal ¹	9.00	NA
14	Mr. C K Venkataraman	125.16	48.55
B] Key Managerial Personnel			
15	Mr. S Subramaniam ³	-	-
16	Mr. Ashok Sonthalia ³	-	-
16	Mr. Dinesh Shetty	-	15%

¹ The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2020-21 or in 2021-22.

² In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non-Executive Director of the Company during the period for which he was in full-time employment with other Tata Group companies i.e., till November 2021.

³ Employed for part of the year and hence not applicable.

The remuneration includes the Commission for the year under reporting and payable in Financial Year 2022-23 post the ensuing Annual General Meeting.

ii) The percentage increase in the median remuneration of employees in the financial year: 7%

iii) The number of permanent employees on the rolls of Company: 7,263

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase for the Financial Year 2021-22 was 7% across all levels. Increase in the managerial remuneration is based on market trends and performance criteria as determined by the Board of Directors and on the recommendation of the BNRC.

v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate high performance and engaged workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals is measured through the annual appraisal process. The Company affirms that remuneration is as per the Remuneration Policy of the Company.

34. Information as per Rule 5(2) of the Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary.

35. Auditors

a) Statutory Auditors

B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the ensuing 38th Annual General Meeting.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., BSR has been recommended for the reappointment as statutory auditors of the Company for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the Annual General Meeting to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and that the firm satisfies the criteria specified in Section 141 of the Act read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed V. Sreedharan & Associates, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure-IV**.

c) Cost Audit

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

36. General Disclosure

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

- issue of equity shares with differential rights as to dividend, voting or otherwise;
- issue of shares (including sweat equity shares) to employees of the Company under any scheme;

- (c) raising of funds through preferential allotment or qualified institutions placement;
- (d) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (e) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and
- (f) instance of one-time settlement with any bank or financial institution.

37. Auditor's Report and Secretarial Auditor's Report

The Auditors' Report on the financial statements of the Company for the financial year ended 31st March 2022 is unmodified, i.e., it does not contain any qualification, reservation, or adverse remark. The Auditor's Report is enclosed with the financial statements forming part of the Annual Report.

There are no disqualifications, reservations, adverse remarks, or disclaimers in the secretarial auditor's report.

3rd May 2022
Bengaluru

38. Disclosures of Transactions of the Listed Entity with any Person or Entity belonging to the Promoter/Promoter Group which hold(s) 10% or more Shareholding in the Listed Entity, in the format prescribed in the relevant Accounting Standards for Annual Results

Related Party Transactions with Promoter/Promoter Group holding 10% or more shares

Tamilnadu Industrial Development Corporation Limited and Tata Sons Private Limited holds 10% or more shares in the Company. The details of transactions with promoter/promoter group holding 10% or more shares have been disclosed in the financial statements which is part of the Annual Report.

The details of the transactions with related parties during Financial Year 2021-22 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Acknowledgements

Your Directors wish to place on record their appreciation for the commitment extended by the employees of the Company and its subsidiaries during the year, especially during the second and third wave of COVID-19 related disruptions. Further, the Directors also wish to place on record the support which the Company has received from its promoters, shareholders, bankers, business associates, vendors and customers of the Company.

On behalf of the Board of Directors,

S Krishnan
Chairman

C K Venkataraman
Managing Director

Annexure - I

[Pursuant to Section 134 of the Act and Rule 8 of the Companies (Accounts) Rules, 2014]

Technology Adoption, Adaptation and Innovation

Watches & Wearables Division

Watches & Wearables (W&W) Manufacturing has successfully implemented innovations, and adopted technologies in the following areas leading to Customer delight, higher productivity, safety, ergonomics, lead-time reduction, and improved quality:

- Skeletonization of Quartz Movements to facilitate customers to have a unique glance of the working of internal watch mechanisms. This has been realized through innovative process routing - A combination of Laser cutting, Stamping methods and colour plating of Movement parts.
- Development of Multi-Axis Machining Center with a unique combination of several independent machining techniques for the manufacturing of Watch Cases, a first of its kind in the Watch Industry.
- Implementation of Pulsed Electro Chemical Machining technique (PECM) for the manufacturing of Stainless Steel (SS) Watch Cases that eliminates the need for multiple routings and process lead-time.
- Development of Metal Masking for PVD (Physical Vapor Deposition) bi-colour plating. This technique helps in achieving precise bi-colour plating on watch cases.
- Automation of Watch Case Back cover component has been achieved with a unique combination of several manufacturing techniques, leading to multiple machines operated by a single operator. This initiative helps in a smart way of utilizing the human resources for effective and efficient operations management.
- W&W R&D team uses the Simulation software for Movement Mechanism design & validation that helps to digitally prototype the new Movement mechanisms.

Jewellery Division

Key Technology Adoption

The Jewellery division has pioneered & implemented several new technologies in the Industry like

- Newly developed 22kt hard gold to make **lighter yet robust jewellery** in the backdrop of rising gold price and enhanced value to customers.
- Developed & Commissioned **Pick to light (PTL) automation systems** in Regional Warehouses to reduce lead time for storing, retrieving products and shipping to boutiques.
- **4X Yield improvement** in Kada bangles of 18kt and 22kt by direct casting of granules instead of the conventional process of alloying, rolling, and blanking.
- Several other projects & advancements such as **3D Scanner, Industry 4.0 in Upstream operations**, One-touch CAD inspection, and 3D resin printer auto-support deployed in the Production area resulted in a significant improvement in Productivity & safety.
- Significant progress in the development of **Diamond clarity grading system** (part of 4C) with Artificial Intelligence/Machine Learning enabled technology for grading of diamonds based on clarity.

Innovation

The Jewellery ISCM continued to drive the **innovation culture** among all employees. The innovation champions/evangelists across all the functions also monitor the projects along with the right team members. The **Online TEI portal** continues to attract the employees to give more Kaizens and suggestions in view of solving the current business challenges. The jewellery division has conducted the **National Kaizen mela & National Innovation Day celebrations** where more than 1000 kaizen projects & 20+ innovation teams have been showcased.



EyeCare Division

EyeCare manufacturing division has successfully implemented innovations, and adopted technologies in the following areas leading to higher productivity, safety, cycle time reduction, quality improvement and water conservation:

- IOT based water management platform was implemented at the EyeCare factory which provided the real-time record of water consumption, Usage analytics, Detect Leakages & Shut off remotely.
- By upgrading to HMI with PLC over Numerical control in the spin coating process, the efficiency is improved.
- Manual inspection of lens stamping is upgraded through a camera vision system.
- Elimination of standalone chiller by using AC chilled water through plate heat exchanger to take care of the differential temperature need.
- Energy optimization of Air Handling Unit through variable frequency drive – Motor speed is controlled based on the demand and optimization of shop floor temperature.

Conservation of Energy & Fuel:

Watches & Wearables

The Watches & Wearables Division has successfully implemented various green energy initiatives, and energy & fuel conservation projects in the areas of utility at its manufacturing facility and during the Financial Year 2021-22, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives were:

- Sourcing of wind power to an extent of 8.6 million units and the onsite generation of 0.24 million units from rooftop solar system contributed to 81 % of green power substitution in the overall energy consumption.
- Two electrical boilers have been installed at Canteen for cooking applications to help reduce the diesel consumption of 40,000 Litres/annum.
- Operational establishment of ATFD (Agitated Thin Film Dryer) at the effluent treatment plant resulted in reduction of 20,000 litres of diesel consumption.

The Watch manufacturing plant at Hosur has been awarded with:

- Green Tech Energy conservation award 2021 – Winner
- CII Industrial waste management competition 2021 – Best innovative technology for reuse

Jewellery Division

a. Steps taken for Conservation of Energy

Towards the journey of achieving 100% Renewable Energy, below mentioned projects have been initiated:

- Hosur Jewellery Manufacturing plant has implemented and commissioned a **2MW** solar plant. More than **1 million units** have been generated till date.
- Pant Nagar Jewellery plant is in the process of implementing **380 KWp** roof top solar plant

b. Sustainability

Jewellery ISCM has been driving sustainability initiatives successfully under the implementation of **“JSM” (Jewellery Sustainability Mission)**.

Under the move towards the Water Positive initiative – Hosur Jewellery plant has commissioned **40 Lakh litres Rain Water Harvesting Cistern**. Through this cistern, the Division has collected and reused around **70 lakh litres** of rainwater during Financial Year 2021-22.

Hosur Jewellery plant has developed **Miyawaki Forest & Oxygen park with 1500+ trees** for reducing carbon footprint and also increasing the green cover.

EyeCare Division

Conservation of Energy:

EyeCare manufacturing Division has successfully implemented various energy conservation projects as mentioned below:

- solar power project on rooftop has been initiated with 361KW capacity under lease model. Installation had been done in Financial Year 2021-22 and there was an energy generation of 3.22 Lakh units from August 2021 till March 2022 thereby reducing the carbon footprint by 33 tons.

- Initiatives and projects implemented such as Elimination of stand-alone chiller, automation of AHU, VFD installation, Lux and Motion sensors for all lighting circuits and by adapting green energy (Rooftop solar plant) in the EyeCare factory resulted in a 37% reduction in energy consumption and carbon footprint.
- Several water conservation projects under the theme of 3R(Reduce/Reuse/Recycle) were adopted such as reducing canteen water consumption by spray nozzles, recycling and reusing of process/RO rejection water, and installation of waterless urinals, STP treated water to toilet flushing. There was a reduction of 36% of water consumption in Financial Year 2021-22.
- With respect to waste reduction and waste management, 400 sq.ft room was built using waste plastic, lens cutting waste 3,000 kg & 500 Alumax Can materials inside factory premises.
- Acetate sheets which were otherwise residual waste, were converted into moulded frames.

Expenditure on Research & Development

(₹ in crore)

	Year Ended 31.3.2022	Year Ended 31.3.2021
a) Capital	0.58	1.89
b) Recurring	20.14	19.74
c) Total	20.72	21.63
d) Total R & D expenditure as percentage of turnover	0.08%	0.10%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 262 crore in foreign exchange and spent ₹ 671 crore.

On behalf of the Board of Directors,

S Krishnan
Chairman

C K Venkataraman
Managing Director

3rd May 2022
Bengaluru

Annexure - II

Annual Report on CSR – 2021-22

Since its inception, your Company has been a responsible corporation, always working to improve the quality of life of the community in general and specifically in communities present in the Company's areas of operation. It has also been engaging with the community in areas which derive mutual benefit and creating sustainable business entities. An example being, the Women Empowerment program "MEADOWS".

As part of its strategy, your Company will continue to support programs that have been in place historically while realigning and sharpening focus towards the areas mentioned in the CSR policy and areas around the same.

During the Financial Year 2021-22, the CSR programs have reached out to over 4.52 lakh individuals. These include the impact that has been created through interventions pertaining to the COVID-19 pandemic.

Highlights for the year have been:

- a) Very encouraging and positive response by the partners and community members, who supported the Company's programs to be put back on track.
- b) Aggressive movement forward in all skilling programs to ensure maximum job opportunities.
- c) Expanding the concept of vision care centres into two more locations in Tamil Nadu. Also supported a full-fledged mobile Eye care vehicle for another NGO in Bihar.
- d) Introduction of two new implementing partners for crafts revival.
- e) Completion and hand over of all water and sanitation projects in Uttarakhand as per plan.
- f) Support provided to Tamil Nadu Chief Minister's Disaster Relief Fund towards COVID-19 and other direct support interventions.

All other programs will continue as per plan.

As with internal progress monitoring and tracking impact, the reach has been classified into the following three categories and the same is monitored:

- a) those that would create a direct or a transformational impact (example: A girl child educated)
- b) those which are a resultant of primary reach and that create deep impact (example: A Teacher trained); and
- c) those that reach out to individuals for a shorter period, in terms of "touch" (example screening of the underprivileged for eye care).

In line with the requirements of the Companies Act, 2013, the Impact Assessment Reports for all projects of the Financial Year 2020-21 that had spends in excess of ₹ 1 crore during that year have been undertaken and can be accessed at <https://www.titancompany.in/corporate-social-responsibility>.

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all locations over the years. During the Financial Year 2021-22, the Company clocked more than 6,400 person-hours of volunteering involving many employees across the Company either in its CSR projects or in other local causes.

From the Financial Year 2022-23, your Company will spend considerable time and resources in taking forward its strategic plans including re-designing/scaling up existing projects, and on working towards creating a deeper impact across all its chosen areas as part of the CSR Policy. This will strengthen and enhance its partner management and engagement processes besides the creation of strong processes.

The Board CSR Committee of Titan Company Limited hereby declares that the implementation and monitoring of the CSR Projects is in compliance with the CSR Objectives and Policy of the Company.

C K Venkataraman
Managing Director

Pradyumna Vyas
Chairman, Board CSR Committee

3rd May 2022
Bengaluru

Annexure to Annexure II

1 Brief outline on CSR Policy of the Company

The CSR policy of the Company focuses on education, especially the education of the underprivileged girl child, skill development for the underprivileged and support for Arts, Crafts and Indian Heritage. While most programs will have a large focus on the girl child, the Company will also make all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with disabilities. Being a Pan India organization, the Company will continue supporting local causes that are important to the communities with which it operates, including issues that are of national importance.

2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pradyumna Vyas	Non-Executive, Independent	3	3
2	Dr. Mohanasankar Sivaprakasam	Non-Executive, Independent	3	3
3	Ms. Jayashree Muralitharan	Non-Executive, Non-Independent	3	2
4	Mr. C K Venkataraman	Managing Director	3	3

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee Composition:

https://www.titancompany.in/sites/all/themes/titancorporate/assets/Committee_Membership_of_Directors.pdf

CSR Policy:

<https://www.titancompany.in/sites/default/files/10.%20CSR%20Policy%20-%20Titan.pdf>

CSR Projects:

<https://www.titancompany.in/sites/all/themes/titancorporate/assets/Excerpts-of-CSR-Projects-for-FY-2022-23.pdf>

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The details of Impact Assessment of CSR projects can be accessed at:

<https://www.titancompany.in/corporate-social-responsibility>



5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2020-2021	0	0
2	2019-2020	0	0
3	2018-2019	0	0
TOTAL		0	0

6 Average net profit of the company as per section 135(5) ₹ 1,750.35 crore

7 (a) Two percent of average net profit of the company as per section 135(5) ₹ 35.01 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. 0

(c) Amount required to be set off for the financial year, if any 0

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 35.01 crore

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0	Not Applicable		Not Applicable	0	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial Year (in ₹ in Cr)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												
Total												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/No)	5 Location of the project.		6 Amount spent for the project (₹ in Cr)	7 Mode of implementation -Direct (Yes/No)	8 Mode of implementing -Through implementing agency	
				State	District			Name	CSR registration number
1	Titan Kanya - Academic support Centre in Government Schools	ii	No	Tamil Nadu	Krishnagiri and Tiruvannamalai	3.21	No	K C Mahindra Education Trust	CSR00000511
2	Titan Kanya - Education support for disadvantaged girls (upto learning level 5)	ii	No	Uttarakhand, Uttar Pradesh, West Bengal	Kanpur Dehat, Kanpur Nagar, Kheri, Mirzapur, Pyeagraj, Saharanpur, Shahjahanpur, Dehradun, Haridwar, Tehri Garhwal, Udham Singh Nagara, Uttarkashi, Murshidabad, South 24 Parganas	4.01	No	IIMPACT	CSR00002935
3	Multi thematic approach (Health/ Education/Livelihoods)	i,ii	No	Tamil Nadu	Cuddalore	2.62	No	CARE India	CSR00000786
4	Multi thematic approach (Health/ Education/Livelihoods)	i,ii	No	Karnataka	Yadgir	1.21	No	Kalike	CSR00003346
5	Science education in Kanya schools	ii	No	Tamil Nadu	Krishnagiri	0.40	No	Agastya International Foundation	CSR00003442
6	Teacher Training Program for Govt. School teachers	ii	No	Tamil Nadu	Krishnagiri, Tiruvannamalai	0.74	No	Agastya International Foundation	CSR00003442
7	Support towards creating Civic awareness among children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.15	No	Children's Movement for Civic Awareness	CSR00000784
8	Scholarship for needy and meritorious students	ii	No	Tamil Nadu, Uttarakhand	Krishnagiri, Udham Singh Nagar	0.66	Yes	Direct implementation	Not Applicable
9	Education & scholarship support for Tribal children and youth	ii	No	Karnataka	Mysore	0.46	No	Swami Vivekananda Youth Movement (SVYM)	CSR00002215
10	Scholarship for Tribal Children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.02	No	Sri Ramakrishna Seva Ashrama	CSR00007056
11	Skill development at Titan LeAP Skilling Center (Hub & Spoke Model)	ii	No	Tamil Nadu	Chennai, Salem, Virudhunagar, Madurai, Tirunelveli, Vellore, Tiruvannamalai, Kanchipuram, Tirupattur, Kanyakumari, Coimbatore	2.21	No	Naandi Foundation	CSR00001184
12	Skilling and livelihood development for tribal youth - Mysore, Karnataka	ii	No	Karnataka	Mysore	0.11	No	Swami Vivekananda Youth Movement	CSR00002215
13	Employability skill development for Engineering students	ii	No	Tamil Nadu	Chennai, Salem, Virudhunagar, Madurai, Tirunelveli, Vellore, Tiruvannamalai, Kanchipuram, Tirupattur, Kanyakumari, Coimbatore	0.69	No	Naandi Foundation	CSR00001184

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration number
14	Employability skill development For Govt ITI students	ii	No	Tamil Nadu	Kallakurichi, Tanjavur, Ariyalur, Perambalur, Coimbatore, Nilgiris, Cuddalore, Dharmapuri, Erode, Karur, Tiruvannamalai, Tiruppur	0.33	No	Naandi Foundation	CSR00001184
15	Skilling for mothers of spastic children & for teachers	ii	No	Karnataka	Bangalore Urban & Rural	0.15	No	Spastics Society of Karnataka	CSR000003311
16	Rehabilitation/Skilling/Placement of less privileged disabled youth & capacity building	ii	No	Karnataka	Bangalore, Udupi, Gadag, Belgaum,	1.15	No	Association of People with Disability	CSR00001544
17	Livelihood and entrepreneurship development for women	ii, x	No	Tamil Nadu	Tiruvannamalai	0.67	No	Reviving Green Revolution Cell	CSR000009333
18	Adoption and support to Government Tribal ITIs	ii	No	Tamil Nadu	Namakkal, Salem, Tiruvannamalai, Coimbatore, Nilgiris	0.27	Yes	Direct Implementation	Not Applicable
19	Building entrepreneurship skills for trafficked women	ii	No	West Bengal	Murshidabad	0.08	No	Anudip Foundation	CSR000000060
20	Project Kashika - Supporting women artisans in the traditional crafts of Zardozi and Meenakari from Varanasi	v	No	Uttar Pradesh	Varanasi	0.10	No	Human Welfare Organization	CSR000003997
21	Support for women weavers across Karnataka	v	No	Karnataka	Shimoga	0.04	No	Kavi Kavya Trust (Charkha)	CSR00004520
22	Project Tarasha - an initiative training and facilitating craftspersons and craft groups to reach market directly by creating their own micro websites	v	No	Pan India	Various Districts	0.20	No	SVP Philanthropy Foundation	CSR00001672
23	Project Chethana - Training women in making banana fibre products and providing sustainable livelihoods through the initiative	v	No	Karnataka	Uttarakannada	0.05	No	Foundation for Innovation & Social Entrepreneurship	CSR00021530
24	Project K.N.I.T (Knitting New Initiatives for Transformation) - To strengthen women knitters in Kilmora into an enterprise unit through the execution of a sustainable livelihoods and business strategy	v	No	Uttarakhand	Various Districts	0.15	No	All India Artisans & Craftworkers Welfare Association	CSR00000620
25	Program recognizing design thinking in product design that enable social change	i, ii & iv	No	Pan India	Various Districts	0.50	No	Foundation for Innovation & Social Entrepreneurship	CSR00003944

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementing agency	
				State	District			Name	CSR registration number
26	Design Impact Movement - A platform advocating Design Thinking for Social Impact through various offerings like masterclasses, opportunity statements, webinars, workshops et al. The platform seeks to inspire youth to engage in solution design for social needs and presently has 20k+ sign-ups.	i, ii & iv	No	Pan India	Various Districts	0.29	No	Research and Extension Association for Conservation of Horticulture and Agro-Forestry (REACHA)	CSR000000086
27	Integrated Village Development Program	i,ii,iv,x	No	Uttarakhand	Tehri Garhwal	0.40	No	Himmothan Society	CSR000000081
28	Watershed program	i,ii,iv	No	Uttarakhand	Tehri Garhwal	0.80	No	Himmothan Society	CSR000000081
29	Watershed programs for livelihood	i,ii,iv	No	Tamil Nadu	Cuddalore	0.85	No	National Agro Foundation	CSR000000610
30	Happy Eyes Program - Includes support for comprehensive Eye Care (for screening, glasses, cataract surgeries), support for vision centers and operational expenses of Mobile rural vision screening program	i	No	Karnataka, Tamil Nadu	Kolar, Chamarajnagar, Ramanagara, Shimoga, Chitradurga, Davangere, Bangalore Rural, Haveri, Cuddalore, Mandya, Coimbatore, Tirupattur, Ramanagara, Bangalore Rural & Urban and Salem	1.37	No	Sri Kanchi Kamakoti Medical Trust (Sankara Eye Foundation)	CSR00003159
31	Happy Eyes Program - comprehensive Eye Care including support for Cataract and glasses for less privileged	i	No	Bihar	Various Districts	1.00	No	Yugrishi Shiram Sharma Achanya Charitable Trust	CSR000000858
32	Happy Eyes Program - support for cataract surgeries & early intervention	i	No	Telangana	Hyderabad	0.60	No	Hyderabad Eye Institute	CSR00001698
33	Neighbourhood initiatives as a responsible Corporate citizen	i,ii,iii,iv	No	Pan India	Various Districts	1.76	No	Various agencies	Not Applicable
34	COVID-19 response across the country	i	No	Tamil Nadu, Karnataka, Uttarakhand, Sikkim, Maharashtra and Delhi	Various Districts	7.72	No	Tata Education Development Trust and other agencies	CSR00003775
Total						34.99			

(d)	Amount spent in Administrative Overheads	0.18
(e)	Amount spent on Impact Assessment, if applicable	0.25
Total amount spent for the Financial Year (8b+8c+8d+8e)		
(g)	Excess amount for set off, if any	0
Sl. No.	Particular	Amount (in ₹ Cr)
(i)	Two percent of average net profit of the company as per section 135(5)	35.01
(ii)	Total amount spent for the Financial Year	35.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.41
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Cr)	Amount spent in the reporting Financial Year (in ₹ Cr)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ Cr)
				Name of the Fund	Amount (in ₹ Cr)	Date of transfer	
1	2020-2021	0	0	Not Applicable		Not Applicable	0
2	2019-2020	0	0	Not Applicable		Not Applicable	0
3	2018-2019	0	0	Not Applicable		Not Applicable	0
TOTAL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Cr)	Amount spent on the project in the reporting Financial Year (in ₹ Cr)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Cr)	Status of the project - Completed/ Ongoing
Not Applicable								
Total								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

Annexure - III

DIVIDEND DISTRIBUTION POLICY

SCOPE AND PURPOSE

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been adopted by the Company.

OBJECTIVE

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.;

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 29th April 2021.

KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters for declaration of Dividend:

Financial Parameters/Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, if any;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Dividend Range:

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take into account optimal shareholder return. The Company would endeavour to target a total dividend pay-out ratio in the range of 25% to 40% of the Annual Standalone Profits After Tax (PAT) of the Company.

Parameters adopted with regard to various classes of shares:

Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 1 each and Preference shares of ₹ 10 each. At present, the issued and paid-up share capital of the Company comprises only of equity shares.

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Procedure:

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations.

General:

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure - IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2022

To,
 The Members
Titan Company Limited
 3, SIPCOT Industrial Complex
 Hosur - 635126

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Titan Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other Laws Applicable to the Company namely:
- a. Industries (Development & Regulation) Act, 1951
 - b. The Factories Act, 1948
 - c. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
 - d. The Apprentices Act, 1961
 - e. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - f. The Employees State Insurance Act, 1948
 - g. The Workmen's Compensation Act, 1923
 - h. The Maternity Benefits Act, 1961
 - i. The Payment of Gratuity Act, 1972
 - j. The Payment of Bonus Act, 1965
 - k. The Industrial Disputes Act, 1947
 - l. The Trade Unions Act, 1926
 - m. The Payment of Wages Act, 1936
 - n. The Minimum Wages Act, 1948
 - o. The Child Labour (Regulation & Abolition) Act, 1970
 - p. The Contract Labour (Regulation & Abolition) Act, 1970
 - q. The Industrial Employment (Standing Orders) Act, 1946
 - r. Equal Remuneration Act, 1976
 - s. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
 - t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
 - u. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
 - v. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
 - w. Dangerous Machines (Regulation) Act, 1983
 - x. Indian Boilers Act, 1923
 - y. The Karnataka Shops & Establishments Act, 1961
 - z. The Industrial Establishments (National and Festival Holidays) Act, 1963
 - aa. The Labour Welfare Fund Act, 1965
 - bb. The Karnataka Daily Wage Employees Welfare Act, 2012
 - cc. The Environment Protection Act, 1986
 - dd. The Water (Prevention & Control of Pollution) Act, 1974
 - ee. The Water (Prevention & Control of Pollution) Cess Act, 1977
 - ff. The Air (Prevention & Control of Pollution) Act, 1981
 - gg. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
 - hh. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
 - ii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
 - jj. The Competition Act, 2002
 - kk. The Indian Contract Act, 1872
 - ll. The Sales of Goods Act, 1930

- mm. The Forward Contracts (Regulation) Act, 1952
- nn. The Indian Stamp Act, 1899
- oo. The Transfer of Property Act, 1882
- pp. Indian Explosives Act, 1884
- qq. Legal Metrology Act, 2009
- rr. Electricity Act, 2003
- ss. Information Technology Act, 2000

We have been informed by the Company that there is no law specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking shorter notices to the Board and committee meetings, obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

There was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

UDIN Number: F007260D000258885

Peer Review Certificate No. 589/2019

Place: Bengaluru

Date: 3rd May 2022

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

To,
The Members
Titan Company Limited
3 Sipcot Industrial Complex
Hosur - 635126

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

UDIN Number: F007260D000258885

Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: 3rd May 2022