TITAN INDUSTRIES

27th ANNUAL REPORT 2010-2011

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Diamonds chosen
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The sparkle of a diamond largely depends on the way it is cut. If cut in the 'excellent' manner, the diamond gathers the light within it and directs it back to make the stone sparkle. At Tanishq, we do not compromise on the cut of the diamond. Only 30% of all the stones sorted at Tanishq make the final grade to adorn our fine jewellery designs. Our diamonds, handpicked for the best possible cut, ensure that your jewellery has the eternal glow it deserves.
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A TATA PRODUCT
*Conditions apply


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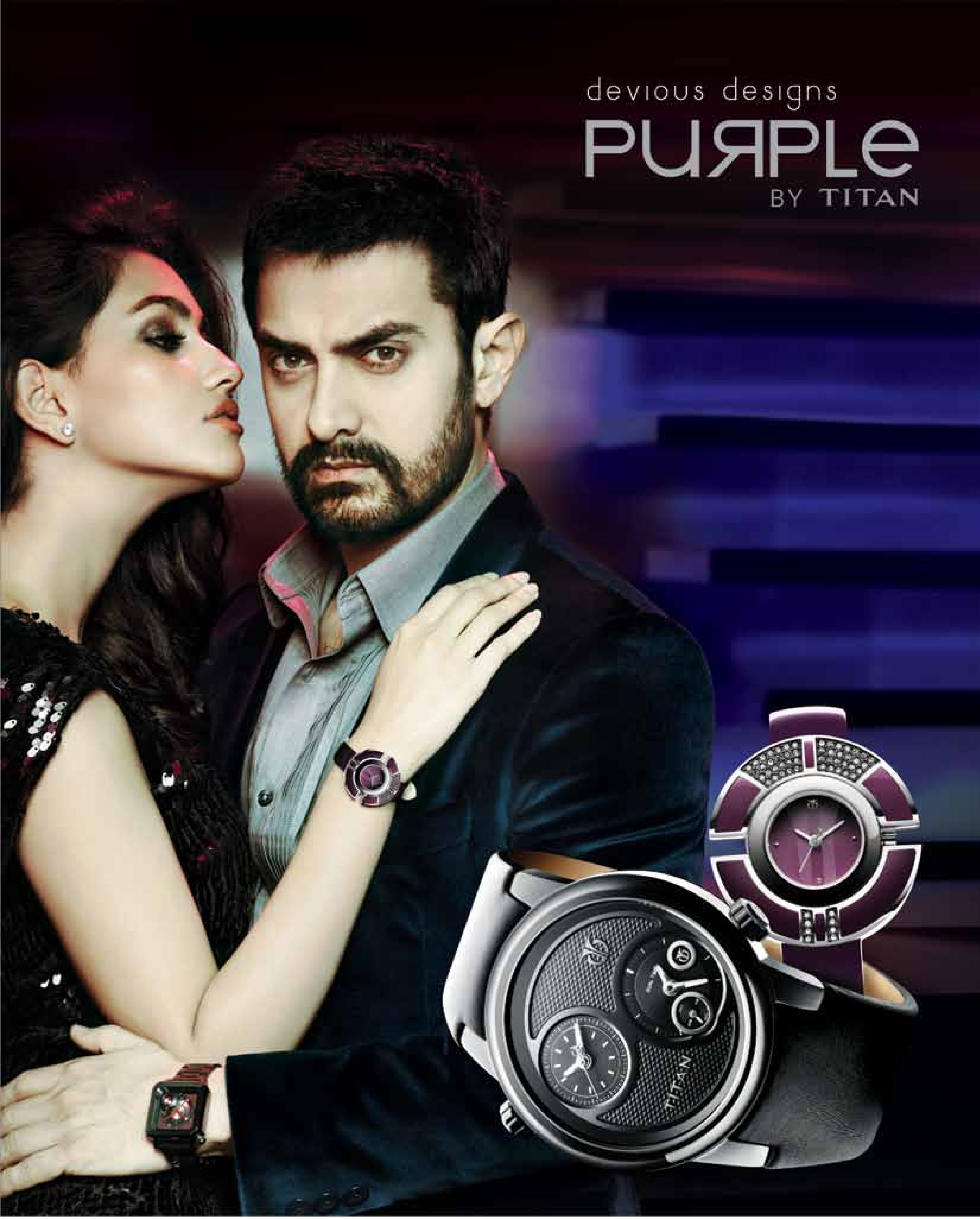
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BY TITAN
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TITAN ACTIV

Titan Activ – Drive

Do you drive a lot? Give yourself a greater sense of security while driving thanks to the increased visual clarity of our Activ Drive range of lenses. The lenses have an aberration free upper far zone and wider fields of vision, both in the near zone and lateral zones to better catch sight of all rear view mirrors, vehicles close to yours as well as stray pedestrians.

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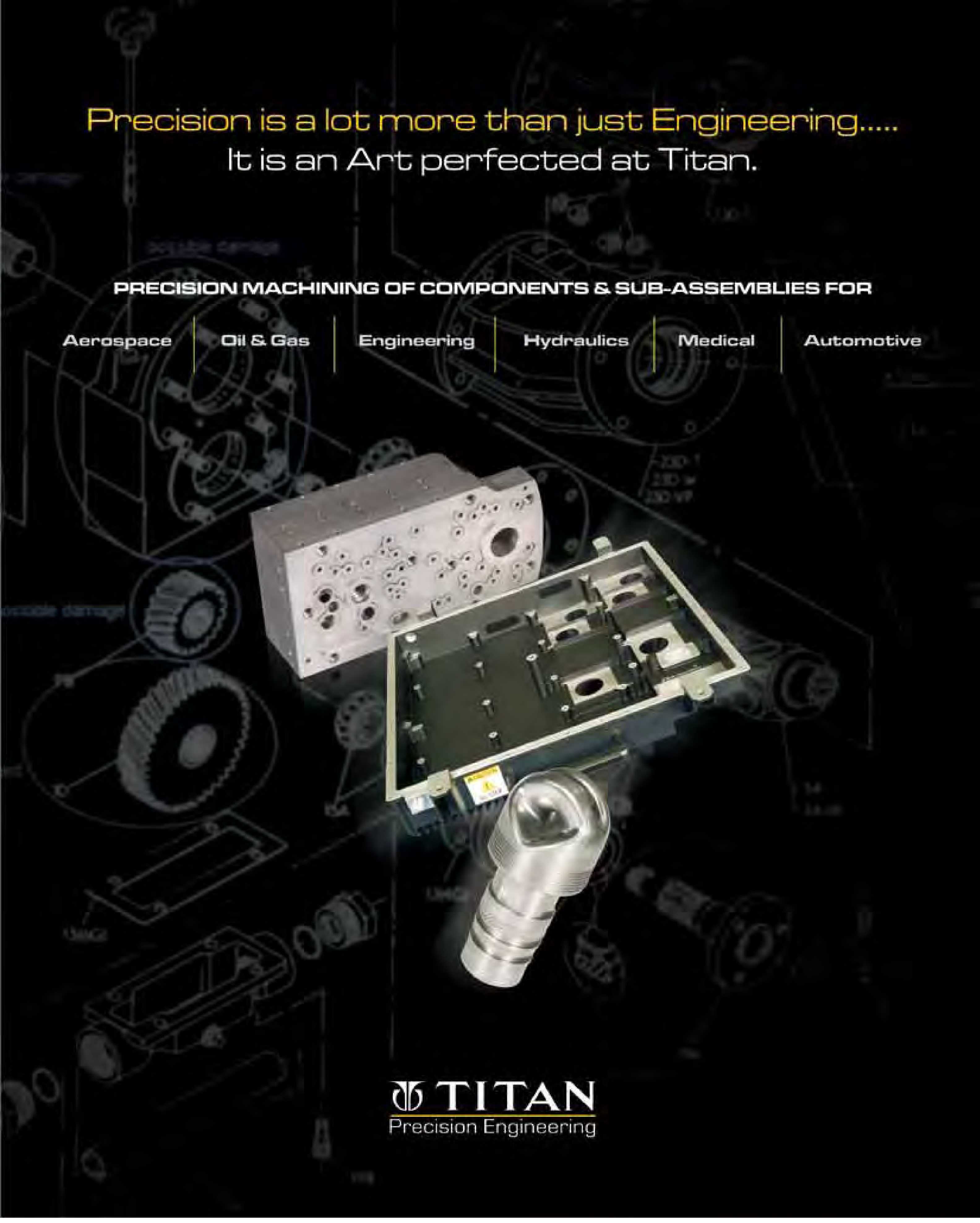

Precision is a lot more than just Engineering.....
It is an Art perfected at Titan.
PRECISION MACHINING OF COMPONENTS & SUB-ASSEMBLIES FOR
Aerospace
Oil & Gas
Engineering
Hydraulics
Medical
Automotive
TITAN
Precision Engineering

BOARD OF DIRECTORS

Susan Mathew, Chairperson (from 14.6.2011)
Debendranath Sarangi (up to 14.6.2011)
N. Sundaradevan (from 14.6.2011)
Rajeev Ranjan (up to 14.6.2011)
Sunil Paliwal (up to 6.12.2010)
V Parthasarathy
Bhaskar Bhat, Managing Director
Ishaat Hussain
N N Tata
T K Balaji
C G Krishnadas Nair
Nihal Kaviratne, CBE (up to 3.3.2011)
Vinita Bali
Hema Ravichandar
R Poornalingam
Das Narayandas (from 29.4.2011)

HEAD - LEGAL & COMPANY SECRETARY

A R Rajaram

AUDITORS

Deloitte Haskins & Sells

BANKERS

Canara Bank
Bank of Baroda
The Hongkong and Shanghai Banking Corporation Ltd
Standard Chartered Bank
Oriental Bank of Commerce
Union Bank of India
Indian Bank

REGISTERED OFFICE

3, SIPCOT Industrial Complex,
Hosur 635 126

OVERSEAS BRANCH OFFICE

Hongkong: Unit No. 11 & 12, 20/F, Metro Loft No.38,
Kwai Hei Street, Kwai Chung N T, Hongkong
Tel : 00852 64716536

SHARE DEPARTMENT

TSR Darashaw Ltd
Unit : Titan Industries Ltd,
6-10, Haji Moosa Patrawla Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi,
Mumbai 400 011

Titan Industries is a **TATA** Enterprise
in association with Tamilnadu Industrial Development Corporation

CONTENTS

Annual General Meeting :
Thursday, 28th July, 2011 at 3.00 p.m.
at 3, SIPCOT Industrial Complex, Hosur 635 126

Visit us at www.titan.co.in

Titan Industries Limited

Notice

The Twenty-seventh Annual General Meeting (the "Meeting") of TITAN INDUSTRIES LIMITED ("the Company") will be held at the Registered Office of the Company, at 3 SIPCOT Industrial Complex, Hosur 635 126, on Thursday, 28th July 2011 at 3:00 P.M. to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Balance Sheet as at 31st March 2011, the Profit and Loss account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.

2) To declare dividend on equity shares for the financial year ended 31st March 2011.

3) To appoint a Director in place of Mr. Ishaat Hussain who retires by rotation and, being eligible, seeks re-appointment.

4) To appoint a Director in place of Ms. Vinita Bali who retires by rotation and, being eligible, seeks re-appointment.

5) To appoint a Director in place of Mr. V Parthasarathy who retires by rotation and, being eligible, seeks re-appointment.

6) To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S), be and hereby are re-appointed as Auditors of the Company, to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting, to audit the Accounts of the Company for the financial year 2011-12, including audit of Cash Flow Statements, on a remuneration to be mutually decided upon between the Auditors and the Board of Directors of the Company."

SPECIAL BUSINESS

7) To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that Prof. Das Naryandas who was appointed as an Additional Director by the Board of Directors with effect from 29th April 2011 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 117 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

8) To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that Mrs. Susan Mathew, IAS who was appointed as a Director by the Board of Directors with effect from 14th June 2011 and who holds office up to the date of this Annual General Meeting under Section 262 of the Companies Act, 1956 read with Article 118 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

9) To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that Dr. N Sundaradevan, IAS who was appointed as a Director by the Board of Directors with effect from 14th June 2011 and who holds office up to the date of this Annual General Meeting under Section 262 of the Companies Act, 1956 read with Article 118 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

Notes:

a) **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.** Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the Meeting. A Proxy is not entitled to vote except on a poll.

b) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item nos. 6, 7, 8 & 9 above is annexed hereto.

c) Members are requested to inform the Company's Registrars and Share Transfer Agents viz., TSR Darashaw Ltd. regarding changes, if any, in their registered addresses with the PIN code number.

d) The Register of Members and the Transfer Books of the Company, (applicable for shares held in physical form) will be closed from Tuesday, 26th July 2011 up to Thursday, 28th July 2011, both days inclusive.

e) The dividend on equity shares as recommended by the Directors, if declared at the Meeting, will be paid within the statutory period of 30 days to those members whose name appear on the Register of Members of the Company as on 28th July 2011, except those held in electronic form. In respect of shares held in electronic form, dividend will be paid to the beneficial holders as per the beneficiary list as on 26th July 2011, provided by the National Securities Depository Limited and Central Depository Services (India) Limited.

f) As per the provisions of Section 109A of the Companies Act, 1956, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz., TSR Darashaw Limited.

The equity shares of the Company are listed at the following Stock Exchanges in India:

Bombay Stock Exchange Ltd,
25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

The Company has paid the annual listing fees to each of the above Stock Exchanges for the financial year 2011-12.

h) Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting. The queries may be addressed to: Head – Legal & Company Secretary, Titan Industries Limited, Golden Enclave, Tower-B, 7th Floor, HAL Airport Road, Bangalore 560 017. (email : arrajaram@titan.co.in) Members are requested to bring their copies of Annual Reports to the Meeting.

i) For the convenience of Members, the Company will provide a coach service from Bangalore on the day of the Meeting. The coaches will leave for Hosur at 1 p.m. from the following four locations:

- Jayanagar - Ashok Pillar, 1st Block, Siddapura Police Station Road, Bangalore 560 011
- Rajajinagar - near ISKCON Temple, Opp. Varasidhi Vinayakar Temple, Government School Grounds, Bangalore 560 010
- Golden Palm Station, near BRV Theatre, Bangalore 560 001
- Leela Palace Hotel, HAL Airport Road, Bangalore 560 017

j) Shareholders are requested to furnish their e-mail id particulars to the Company at the Company's dedicated mail id: investor@titan.co.in. This will assist the Company in redressing of shareholders' grievances expeditiously.

By Order of the Board of Directors,

Registered Office:
3, SIPCOT Industrial Complex
Hosur 635 126
14th June 2011

A.R. Rajaram
Head – Legal & Company Secretary

Titan Industries Limited

Annexure to Notice

As required by Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business mentioned under item Nos. 6, 7, 8 & 9 of the accompanying Notice dated 14th June 2011.

Item No. 6:

Since the shareholding pattern of the Company is such that the provisions of Section 224A of the Companies Act, 1956 are applicable, the appointment of Auditors of the Company is required to be made by a special resolution. It has been proposed to re-appoint M/s. Deloitte Haskins & Sells as Auditors of the Company for the financial year 2011-12.

The Shareholders are requested to approve the re-appointment of Deloitte Haskins & Sells as Statutory Auditors by a special resolution, to audit the accounts of the Company for FY 2011-12 as set out in Item No. 6 of the Notice.

Item No. 7:

Prof. Das Narayandas was appointed as an Additional Director of the Company by the Board of Directors, with effect from 29th April 2011. In terms of Section 260 of the Companies Act, 1956, Prof. Das Narayandas holds office as a Director till the date of the ensuing Meeting, but is eligible for appointment. Notice in writing has been received from a Shareholder of the Company signifying his intention in proposing Prof. Das Narayandas as a candidate for the office of Director.

Prof. Das Narayandas is the James J. Hill Professor of Business Administration at the Harvard Business School. He is currently the Chair of Harvard Business School Executive Education's Advanced Management Program and co-chair of the Building Client Management Capabilities in professional service firms. His academic credentials include a Bachelor of Technology degree in Engineering from the Indian Institute of Technology, a Post-Graduate Diploma in Management from the Indian Institute of Management and a Ph.D. in Management from Purdue University, USA.

The Board considers it desirable that the Company continues to avail of the services and wise counsel of Prof. Das Narayandas and accordingly the Directors recommend that he be appointed as a Director of the Company.

Other than Prof. Das Narayandas, none of the other Directors is in any way, concerned or interested in this resolution.

Item No. 8:

Mrs. Susan Mathew, IAS, was appointed as Chairperson and Director on the Board of the Company by the Board of Directors in the casual vacancy caused by the resignation of Mr. Debendranath Sarangi with effect from 14th June 2011. In terms of Section 262 of the Companies Act, 1956, Mrs. Susan Mathew holds office as a Director till the date of the ensuing Meeting, but is eligible for appointment. Notice in writing has been received from a Shareholder of the Company signifying their intention in proposing Mrs. Susan Mathew as a candidate for the office of Director.

Mrs. Susan Mathew, IAS is the Additional Chief Secretary to the Government of Tamilnadu and Chairperson and Managing Director of Tamilnadu Industrial Development Corporation Ltd, the co-promoter of the Company.

The Board considers it desirable that the Company continues to avail of the services and wise counsel of Mrs. Susan Mathew and accordingly the Directors recommend that she be appointed as a Director of the Company.

Other than Mrs. Susan Mathew, none of the other Directors is in any way, concerned or interested in this resolution.

Item No. 9:

Dr. N. Sundaradevan, IAS, was appointed as a Director on the Board of the Company by the Board of Directors in the casual vacancy caused by the resignation of Mr. Rajeev Ranjan with effect from 14th June 2011. In terms of Section 262 of the Companies Act, 1956, Dr. N. Sundaradevan holds office as a Director till the date of the ensuing Meeting, but is eligible for appointment. Notice in writing has been received from a Shareholder of the Company signifying their intention in proposing Dr. N. Sundaradevan as a candidate for the office of Director.

Dr. N. Sundaradevan, IAS is the Principal Secretary to the Government of Tamilnadu, Industries Department.

The Board considers it desirable that the Company continues to avail of the services and wise counsel of Dr. N. Sundaradevan and accordingly the Directors recommend that he be appointed as a Director of the Company.

Other than Dr. N. Sundaradevan, none of the other Directors is in any way, concerned or interested in this resolution.

A copy of the Memorandum and Articles of Association of the Company is available for inspection of Members on any working day between 11 a.m. and 1 p.m. at the Registered Office of the Company from the date of this notice up to the date of the Annual General Meeting.

By Order of the Board of Directors,

Registered Office:
3, SIPCOT Industrial Complex
Hosur 635 126
14th June 2011

A.R. Rajaram
Head – Legal & Company Secretary

Details of Directors seeking appointment/re- appointment in forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

(Directorship & Committee Membership other than Titan Industries Ltd)

Name of the Director	Mr. Ishaat Hussain	Ms. Vinita Bali	Mr. V Parthasarathy	Prof. Das Narayandas	Mrs. Susan Mathew	Dr. N Sundaradevan
Date of Birth	02.09.1947	11.11.1955	05.02.1959	18.05.1960	17.09.1951	02.09.1952
Date of appointment	17.07.1989	18.10.2006	20.10.2008	29.04.2011	14.06.2011	14.06.2011
Expertise in specific functional areas	Rich and varied experience in Finance, Strategy & General Management	Rich and varied experience in Business Strategy,General Management, Sales and Marketing	Rich experience in Finance & Accounts	Professor of Business Administration at the Harvard Business School Chairman of Harvard School Executive Education's Advanced Management Prog.	Rich and varied experience in The Indian Administrative Service.	Rich and varied experience in The Indian Administrative Service.
Qualifications	FCA, England & Wales	B.A. Economics, M.B.A	B.Com, ACA, ICWA	B.Tech, Indian Institute of Technology PGDM, Indian Institute of Management Ph.D in Management from Purdue University, USA	IAS	IAS
Shareholdings	703 shares	-	-	-	-	-
List of Public Companies in which outside Directorships held on 31st March, 2011	Tata Sons Ltd Tata Steel Ltd Voltas Ltd Tata Teleservices Ltd Tata Industries Ltd Tata AIG General Insurance Co Ltd Tata AIG Life Insurance Co Ltd Tata Consultancy Services Ltd Tata Sky Ltd Tata Refractories Ltd The Bombay Dyeing & Manufacturing Company Ltd Tata Capital Ltd Viom Networks Ltd	Britannia Industries Ltd Piramal Glass Ltd The Bombay Dyeing & Manufacturing Co. Ltd Bombay Burmah Trading Corpn Ltd	Sree Maruthi Marine Industries Ltd Titan Properties Ltd Titan TimeProducts Ltd Tanishq (India) Ltd Malladi Specialities Ltd Ennore SEZ Company Ltd		Tamilnadu Industrial Development Corporation Ltd TIDEL Park Ltd TIDEL Park Coimbatore Ltd TRIL Infopark Ltd TICEL Bio Park Ltd Ennore SEZ Company Ltd Mahindra World City Developers Ltd Nagurjana Oil Corporation Ltd Tamilnadu Road Development Co Ltd IT Expressway Ltd	Tamilnadu Industrial Development Corporation Ltd Tamilnadu Newsprint & Papers Ltd Tamilnadu Industrial Explosives Ltd State Industries Promotion Corporation of Tamilnadu Ltd Neyveli Lignite Corporation Ltd. Nilakkottai Food Park Ltd Tamilnadu Generation and Distribution Corporation Board Tamilnadu Transmission Corporation Ltd Tamilnadu Petroproducts Ltd TIDEL Park Ltd
Chairman/Member of the Committee of Board of Public Companies on which he/she is a Director as on 31st March, 2011	**Audit Committee** Tata Steel Ltd - Member Tata Industries Ltd - Chairman Tata Teleservices Ltd - Chairman Tata AIG General Insurance Co Ltd - Member Tata AIG Life Insurance Co Ltd - Member Tata Sky Ltd - Member Tata Consultancy Services Ltd - Member **Shareholder Grievance Committee** Tata Steel Ltd - Chairman					

Directors' Report

To the Members of Titan Industries Limited

The Directors are pleased to present the Twenty seventh Annual Report and the Audited Statement of Accounts for the year ended 31st March 2011:

Financial Results

Rs. in crores

	2010-2011	2009-2010
Total Income	**6626.94**	4714.98
Less: Excise Duty	**49.97**	28.70
Net Income	**6576.97**	4686.28
Expenditure	**5935.28**	4279.46
Gross profit	**641.69**	406.82
Interest	**8.21**	25.42
Cash operating profit	**633.48**	381.40
Depreciation / Amortisation	**34.48**	60.08
Profit before taxes	**599.00**	321.32
Income taxes - Current	**168.60**	81.50
- Deferred	**(3.24)**	(13.42)
Profit after taxes for the year	**433.64**	253.24
Less: Income tax of earlier years	**3.22**	2.92
Net Profit	**430.42**	250.32
Profit brought forward	**272.91**	211.03
Amount available for appropriation	**703.33**	461.35
Appropriations :		
Debenture redemption reserve	**5.28**	5.28
Proposed dividend on equity shares	**110.97**	66.58
Tax on dividends	**18.00**	11.06
Transfer to general reserve	**136.46**	105.51
	270.71	188.43
Balance carried forward	**432.62**	272.92

Titan Industries Limited has delivered one of its best ever performances. Sales income for the year 2010-11 was Rs.6570.86 crores, registering a growth of 39.7% over previous year's sales of Rs.4703.12 crores. This growth was attributable to the continued dynamism of the Indian economy resulting in high consumer confidence, favorable demographics of our primary market - India, the unique position Titan and its brands occupy in the consumers' mind space and the talent and commitment exhibited by the Company's employees and business associates.

Profit before tax for the Company grew by 86.4% to Rs.599.00 crores, while net profit grew by 71.9% over previous year to Rs.430.42 crores.

Both Watches and Jewellery segments recorded excellent growth on the back of very good retail sales. Watch Business achieved breakthrough in several new consumer segments in the watch market – the sub Rs.500 economy segment, where Sonata Super-Fibre recorded handsome sales and the children's segment, with Titan Zoop. The successful expansion of exclusive Fastrack stores net work has reinforced Fastrack's position as India's most exciting youth brand. The Company also took confident steps into accessories market with the national launch of Fastrack accessories (bags, belts, wallets, wrist-bands). The Jewellery Division aggressively pursued growth of diamond studded jewellery and was also able to improve the grammage growth of gold jewellery, despite the increase in gold prices. The Eyewear business witnessed rapid expansion of its retail network, with healthy sales growth in like-to-like stores. The B2B business of Precision Engineering which was hit last year due to global slowdown made good recovery and performed reasonably well compared to the previous year.

The Jewellery segment sales grew by 43.5% to Rs.5027.23 crores and the Watch segment sales grew by 23.3% to Rs.1266.46 crores. Sales of others including Eyewear, accessories and Precision Engineering rose by 60.7% to Rs.243.87 crores.

The year witnessed expansion of the Company's retail network with a net addition of 122 stores (124503 sq.ft.) across Watches, Jewellery and Eyewear businesses. As on 31st March 2011, the Company has a total of 665 stores, with over 810000 sq.ft of retail space, delivering a retail turnover in excess of Rs.6150 crores.

International operations

The Company achieved an export turnover of Rs.127 crores during the year. Exports include sale of watches and precision engineered components.

The International Business Division of Watches made a splendid foray into Vietnam in 2009 and followed it up with an equally successful launch in South Africa in 2010-11, the initial results of which have been encouraging. While Far East Asian markets continued to do well, some Middle East markets reported sluggish economies and results during the year. The export of precision engineered components during the year showed improvement over the previous year.

Dividend

The Directors are pleased to recommend payment of dividend on equity shares at the rate of 250% (Rs.25 per equity share), subject to approval by the shareholders at the Annual General Meeting. The dividend payout on equity shares recommended by the Directors of the Company is Rs.110,97,32,700 calculated at the rate of Rs. 25 per equity share on 4,43,89,308 equity shares of the face value of Rs.10 each.

However, it is to be noted that at the said meeting of the Board of Directors of the Company, the Directors have also recommended issue of bonus shares in the ratio of one equity share for every existing equity share of Rs. 10 each and sub-division of equity share of Rs. 10 into 10 equity shares of Rs.1 each, subject to approval by the members of the Company. Consequent to the issue of the bonus shares and sub-division of equity shares, while the aggregate amount of dividend on equity shares if declared at the 27th Annual General Meeting shall remain unchanged at Rs.110,97,32,700, the rate per equity share shall be adjusted to the number of equity shares outstanding arising out of the issue of bonus shares and sub-division of equity shares. In other words, the rate of dividend on equity shares will be Rs. 1.25 on 88,77,86,160 equity shares of Re. 1 each, aggregating Rs.110,97,32,700.

Finance

During the year under review, borrowings of Rs.5.42 crores were repaid during the year. The Company incurred Rs.66.24 crores as capital expenditure in respect of refurbishment and expansion programmes at manufacturing facilities and retail outlets and in IT Hardware systems.

The Company's continued effort at conserving cash and containing capital employed has enabled the company to generate net cash inflow of Rs.907 crores.

During the year, the Company's long term debt rating was upgraded by CRISIL to AA +/Stable (pronounced "double A plus with stable outlook) from AA/Stable, indicating high degree of safety. ICRA has reaffirmed the long term debt rating of LAA (pronounced as L Double A) with a positive outlook which indicates high credit quality.

The year 2010-11 witnessed smart growth by various sectors including agriculture, industry and service. However, high inflation has been a major concern which prompted the Reserve Bank of India to tighten the monetary policy by increasing the key interest rates.

Titan Industries Limited

As on 31st March 2011, there were no fixed deposits held by the Company from the public, shareholders and employees other than unclaimed deposits amounting to Rs.0.06 crores.

An amount of Rs.5.28 crores has been transferred to the debenture redemption reserve in accordance with statutory requirements and the terms of Rights Issue.

As amount of Rs.136.46 crores has been transferred to the general reserve .

During the year under review, the Company made payments aggregating to Rs.675.23 crores by way of central, state and local taxes and duties as against Rs.456.65 crores in the previous year.

The Company has redeemed 21,13,038 6.75% Non- convertible Debentures of a face value of Rs. 250/- each aggregating to Rs.52.83 crores on 11th May 2011 in terms of the issue of these Debentures.

Bonus Issue and sub-division of equity shares

The Board of Directors have approved the Issue of Bonus Shares in the ratio of 1 equity share for every 1 equity share held, to the existing shareholders of the Company and sub-division of the Company's equity share of Rs.10 each into 10 equity share of Re.1 each.

Pursuant to Sec 192A of the Companies Act, 1956, read with the Companies (Passing of the Postal Ballot) Rules, 2001 approval of the shareholders was sought by Postal Ballot in respect of amendment to the Memorandum of Association and Articles of Association of the Company for increase in Authorized Share Capital, Issue of Bonus Shares in the ratio of 1 fully paid share for every 1 share held and sub-division of the equity share of the Company of the face value of Rs.10 each in to 10 equity shares of Re.1 each. The Resolutions put to vote through Postal Ballot has been passed by the Shareholders of the Company with the requisite majority. The Board of Directors have fixed the "Record Date" (24th June 2011) for the issue of bonus shares and sub-division of the equity shares of the Company, subject to such statutory and other approvals as may be required.

Subsidiaries

As at 31st March 2011, the Company has the following subsidiaries:

1) Titan TimeProducts Ltd, Goa
2) Tanishq (India) Ltd, Bangalore
3) Titan Properties Ltd, Hosur

The performance highlights of these subsidiary companies for FY 2010-11 are as under:

Titan TimeProducts Ltd. sold 8.52 million (2009-10: 6.27 million) Electronic Circuit Boards in 2010-11 and made a net profit of Rs.72.62 lakhs (2009-10: Rs 34.43 lakhs).

Tanishq (India) Ltd. made a net profit of Rs.32.56 lakhs (2009-10:Rs.41.92 lakhs) and Titan Properties Ltd made a net profit of Rs.170.32 lakhs (2009-10: Rs.9.53 lakhs).

None of these companies has declared a dividend.

The annual accounts of the above three subsidiary Companies have been consolidated with the Accounts of Titan Industries Ltd for the financial year 2010-11.

A Petition has been filed pursuant to sections 391 to 394 of the Companies Act, 1956 by the Company's subsidiary company Tanishq (India) Limited as the Transferor Company seeking sanction to the Scheme of Amalgamation proposed to be made between itself and its holding company Titan Industries Ltd as the Transferee Company effective 1st April 2010 as the Appointed Date. No shares of the Transferee Company are to be issued pursuant to the Scheme. Based on an application made under section 391 of the Companies Act, 1956, by the Transferor Company, the Hon'ble High Court of Karnataka which has jurisdiction over the Transferor Company has granted dispensation of the meetings of shareholders and creditors of the Transferor Company.

A Company Petition No. 9 of 2011 was filed in the Karnataka High Court by Tanishq (India) Ltd, Transferor Company on 7th January 2011 seeking sanction to the amalgamation as aforesaid and the final order in respect thereof is awaited.

The Ministry of Corporate Affairs, Government of India has issued a Circular No. 2 /2011 dated 8th February 2011 granting general exemption to Companies under Sec 212(8) from attaching the documents referred to in Sec 212 (1) pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report.

The Board of Directors of the Company have accordingly accorded approval to the Company dispensing with the requirement of attaching to its Annual Report the annual audited accounts of the Company's subsidiaries.

Accordingly, the Annual Report of the Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of the Company, its subsidiaries and an associate. The Annual Accounts of these subsidiary companies, along with the related information, is available for inspection at the Company's registered office and copies shall be provided on request. The statement pursuant to the approval under section 212(8) of the Companies Act, 1956, is annexed together with the Annual Accounts of the Company.

Consolidated financial statements

The Consolidated Financial Statements of the Company prepared as per Accounting Standard AS 21 and Accounting AS 23, consolidating the Company's accounts with its subsidiaries and an associate have also been included as part of this Annual Report.

Corporate Social Responsibility

Our business-linked initiatives like MEADOWS women empowerment program and the Karigar Parks, employment of the differently abled, education initiatives in the Titan Scholarship Program and the Titan School are programmes that the Company continued to support during FY 2010-11. The Mr. Perfect programme of the Jewellery Division, which seeks to ensure a clean and modern work space for the skilled craftsmen in our Jewellery business and also aims to retain and enhance human skills, has gained momentum and is targeting to cover all our vendor partner units in the next 18 months.

Apart from these on-going initiatives, the following important initiatives were conceived /supported by the Company:

1. 100,000 dark glasses were given free to Sankara Nethralaya for poor patients to wear after their cataract surgery.
2. A special watch was created and marketed in commemoration of the 26/11 Mumbai blasts, with all the sale proceeds being given to the Taj Public Service Welfare Trust towards the welfare of the victims.
3. A systematic process for evaluating worthy causes was created with a cross-functional team comprising managers. The team selected three NGOs out of sixty applications received and they are:
    - The Samarthanam Trust for the disabled;
    - The Spastics Society of Karnataka and
    - The SGBS Trust in their Unnati programme of enabling employability of underprivileged youth. The Company will support these NGOs for a three year period.

Awards and Recognition

The Jewellery Division of the Company won the inaugural Most Innovative Retailer Award of the Economic Times, apart from two individual awards for Gold Plus and one for Tanishq in the same competition. The Tanishq wedding television commercial won two prestigious Effies (Effectiveness Awards of the advertising industry) and was also rated among the top 10 films of the year by television channels. The Gold Plus Loyalty programme Ananta won many awards across the country including the Qimpro Award. Zoya won the store launch and couture Jewellery of the year from the Jewellery industry.

The Integrated Supply Chain of Jewellery Division won many awards, including the CII Quality Award, the Frost & Sullivan Award for Benchmarking and the Golden Peacock Innovation Award.

The watch brand 'Titan' has been ranked 10th amongst 16,000 brands studied across nine Indian cities in a Brand Trust Study by Trust Research Advisory. Brand Titan was also ranked as the Most Admired Timewear Brand in the Images

Fashions Award 2011.The Company also won the World watch award from the Chitralekha group for the Flagship store at Linking Road, Mumbai as being the best watch store. This same store was also rated for the best Retail signage by 3M, across all product categories. The Company won several "Big Bang awards" for excellence in advertising and media for the marketing campaigns of "Raga Flora" and "Titan - Be More" instituted by the Advertising Club, Bangalore. The Fastrack Brand won the Master Brand Award 2010, given by CMO Council.

The Company has been ranked 1st in the Retail Category and 19th overall by the "Great Place To Work" Institute in their survey "India's Best Companies To Work For."

The Company received the Best Commercial Establishment Award for Corporate Sustainability from Tamil Nadu Government and the Economic Times Retail Award for the "Most Innovative Retailer".

Annexures

In terms of provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars are set out in the Annexure to the Directors' Report. However, having regard to the provisions of section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company, and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company or through mail by sending their requests to the Company Secretary at arrajaram@titan.co.in. Required information as per section 217(1)(e) is annexed.

Auditors

Members will be requested at the Annual General Meeting to appoint auditors for the current year and pass resolutions per Item No. 6 of the Notice.

Corporate Governance

A separate report on Corporate Governance forms a part of the Annual Report along with the Auditors' Certificate on Compliance.

Directors

Mr. Ishaat Hussain, Ms. Vinita Bali and Mr. V Parthasarathy retire by rotation and are eligible for re-appointment.

Mr. Sunil Paliwal, IAS resigned as Director of the Company on 6th December 2010. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution made by Mr. Sunil Paliwal during his tenure as a Director of the Company.

Mr. Nihal Kaviratne, Independent Director resigned from the Board of the Company with effect from 3rd March 2011. Mr. Kaviratne joined the Board in September 2006 and has made valuable and significant contribution to the growth and progress of the Company. As Chairman of the Board Audit Committee, Mr. Kaviratne has displayed high level of professionalism and outstanding leadership in rendering direction and guidance to the Company. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution made by Mr. Nihal Kaviratne during his tenure as Chairman of the Board Audit Committee and as a Director of the Company.

Prof. Das Narayandas was appointed as an Additional Director of the Company on 29th April 2011.Prof. Das Narayandas is the James J. Hill Professor of Business Administration at the Harvard Business School and currently is the Chair of Harvard Business School Executive Education's Advanced Management Program and co-chair of the Building Client Management Capabilities in Professional Service Firms. His academic credentials included a Bachelor of Technology degree in Engineering from the Indian Institute of Technology, a Post-Graduate Diploma in Management from the Indian Institute of Management, and a Ph.D. in Management from Purdue University, USA.

Members attention is drawn to Item No. 7 of the Notice for the appointment of Prof. Das Narayandas as a Director of the Company.

Mrs. Susan Mathew, IAS, Additional Chief Secretary to the Government of Tamilnadu, and Chairperson, Tamilnadu Industrial Development Corporation Ltd (TIDCO) was appointed as Chairperson and Director on the Board of the Company on 14th June 2011 as a nominee of TIDCO.

Members attention is drawn to Item No. 8 of the Notice for the appointment of Mrs. Susan Mathew as a Director of the Company.

Dr. N. Sundaradevan, IAS, Principal Secretary to the Government of Tamilnadu, Industries Department was appointed as a Director on the Board of the Company on 14th June 2011 as a nominee of TIDCO.

Members attention is drawn to item no. 9 of the Notice for the appointment of Dr. N. Sundaradevan as a Director of the Company.

Mr. Debendranath Sarangi, IAS and Mr. Rajeev Ranjan, IAS resigned as Directors of the Company on 14th June 2011. The Directors wish to record their gratitude and appreciation for the wise counsel and contributions made by them during their tenures as Directors of the Company.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors' based on the representations received from the operating management confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. They have in the selection of the accounting policies, consulted the statutory auditors and have 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;
3. They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, lenders, business associates including distributors, vendors and customers, the press and the employees of the Company.

On behalf of the Board of Directors,

	Bhaskar Bhat	C G Krishnadas Nair
Bangalore, 14th June 2011	Managing Director	Director

Annexure to the Directors' Report

(Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

Conservation of Energy & Fuel

The Company has successfully implemented various energy conservation projects along with M/s Honeywell Automation Limited during September 2010 with state-of-the-art equipment and technology in the areas of lighting, vacuum system, air-conditioning and process water cooling / evaporation systems at its Watch Manufacturing facility under "Performance Contracting Concept".

Total investment in this project is Rs.227 lakhs. This conservation initiative has resulted in power & fuel cost saving of Rs.55 lakhs during 2010-11 and the expected annualized savings will be Rs.76 lakhs per annum as guaranteed by M/s Honeywell Automation Limited.

The Jewellery Division has implemented various energy conservation projects in the areas of air conditioning and lighting, with the introduction of energy efficient equipments and technology. These improvements have resulted in a net saving of Rs.18 lakhs during 2010-11 with an investment of Rs.39 lakhs.

In addition, Rs.65 lakhs investment on energy efficient equipment in HVAC system is in the pipeline which will result in saving of diesel (30 KL) and energy (1.4 lacs units) to the tune of Rs.20 lakhs / annum.

Green Power

The Company is continually sourcing about 30 % of its energy consumption at its Watch Manufacturing facility through the renewable energy resources – Wind Mills. During 2010–11, 3.14 million units of energy has been sourced from the private wind farms which is equivalent to 25.8% of the annual energy consumption. This initiative helped us to reduce carbon emission to an extent of 2198 Tons and supported to achieve cost savings to an extent of Rs.10 lakhs during 2010-11.

Wind Power Plant

In line with the vision of becoming "Carbon Neutral", your company is investing in its own Captive Wind Power plant under Joint Venture Model, in collaboration with M/s TVS Energy Limited. Capacity of this wind power plant is 3 MW, estimated to generate 72 lakh units per annum which will meet 40% of the Company's annual power requirement (estimation for 2011-12 : 170 lakhs units) at Watch and Jewellery manufacturing, Hosur. Total investment by your company on this project is Rs.1.50 crore. This project will support to reduce the carbon emission to an extent of 5040 Tons per annum. This project will be operational from June 2011.

Harnessing Solar Energy

Solar Cooking: The company is investing on installation "Solar Cooking System" for the canteen requirements of both Watch and Jewellery manufacturing divisions at Hosur. Total investment on this project is Rs.90 lakhs and support to reduce the diesel consumption of 30 KL per annum and support to reduce the carbon emission to an extent of 88 tons per annum. This will be operational by August 2011.

Solar Lighting: The Company has installed a unique product "Light Pipe" for harvesting sun light to meet general lighting requirement at manufacturing shop floors of watch plant. Based on the success of the pilot study, this initiative will be deployed across movement manufacturing block shop floors. Total investment on this project during 2011-12 would be Rs.15 lakhs. This initiative will support to reduce carbon emission to an extent of 35 Tons per annum**.**

LED lighting: The Company has been evaluating and experimenting with LED lighting for its retail stores. This has dual benefits of lower electricity consumption (light & heat) and enhanced product display. World of Titan stores last year started converting to LED lighting. About 80 stores have converted and all new stores are now using LED lighting in product displays. This initiative is going to be rolled out to all stores going forward and will result in huge savings and carbon footprint reduction.

As part of water conservation measures, rain water harvesting study was conducted at Jewellery Division and a potential saving of 35 lakh litres is estimated. Necessary infrastructure will be created this year to conserve water.

Technology absorption, adaptation and innovation

Watch assembly unit at Pant Nagar (excise duty free zone) successfully ramped up the production volume in a short span of time and produced 1.5 million during the financial year.

The Company has successfully re-engineered the existing metal movement of Cal.7000 series to Hybrid version in collaboration with Seiko Epson, Japan. The movement division successfully productionized Cal.7000 hybrid movements and achieved a volume of 0.4 million during the year.

The Case Division has taken up the initiative of improving capability of Case plant by introducing automation for case machining to improve productivity, developing colour planting and enameling of cases.

The Company has adopted various technologies from different part of world to reduce gold loss like electro polishing, automatic refining, smelting setup, shoe scrubber, etc.

High Density waxing technology has been introduced to convert handmade jewellery manufacturing to cast route for delicate filigree type of products. This helps to reduce weight of the product and lead time for manufacturing.

A state-of-the-art Power-7 New Generation server has been installed at Jewellery ERP.

The Jewellery Division has successfully established the"Innovation School of Management" (ISCM) to drive the culture of Innovation. This initiative is to create, nurture and realize the ideas into actions through people development. So far over 140 employees have been trained on various tools & technique of innovations.

An Innovation Council has been formed to drive various initiatives across the Company on the innovation front. A major initiative was the Innovation Bazaar to show case innovations within the company and by vendor partners.

Environment Management System – ISO 14001

The Company's Watch manufacturing facilities at Hosur, Dehradun, Baddi, Roorkee, and Jewellery manufacturing (Hosur & Dehradun) and Precision Engineering facilities are certified for ISO 14001:2004 version Environment Management practices.

The Watches Division won the CII GBC "Most Innovative Project Award" for the elimination of Trichloroethylene (TCE) from the manufacturing operations.

Titan Jewellery Division won the "Overall – Leaders, 1st Runner Up Award" from Frost & Sullivan's Green Manufacturing Excellence Awards 2011.

Safety Management

The Company has integrated its safety management practices as part of its daily operations. Apart from several proactive measures to prevent accidents such as safety related training, providing of personnel protective equipments etc., it has a process of constantly auditing its safety practices through both internal and external audits. These include audits conducted on compliance to personnel protective equipments, safety compliances and third party feedbacks through Tata Business Excellence Model (TBEM) assessments and so on.

While the safety practices are well entrenched in all plant locations through the implementation of systems such as ISO 14000 Environment Management systems, the Company is now gearing up to implement the Occupational Health and Safety Assessment Standards (OHSAS) across the organization, including company owned retail outlets as well as corporate and regional / branch office locations.

A full fledged structure to implement OHSAS / Safety has been put in place under the Chief Human Resource Officer (CHRO), and locational safety officers are in place. These initiatives are being reinforced with inputs from the Mahindra Special Services Group, who as part of their implementation plan have taken up Information security requirements, and physical safety and security needs in three piloted areas of corporate office, regional office in the west and jewellery manufacturing. Installations of CCTV, Visitor Management System for safety and security have been some of the salient features. This initiative would be extended to other regions over a period of time.

Other initiatives under safety which have been taken up over the past few months include: a) Proactive involvement in implementing safety requirements at retail stores during set up; b) Revamping all electrical safety systems, wiring in office locations; c) Implementing emergency preparedness plans as well as mock drills in non plant locations and so on.

All the above initiatives have been effective, as seen from the fact that our safety record has been very well under control, and we continue to be one of the few industries to be well within the industry average of safety incidences.

We expect to go in for certification under OHSAS through a third party during the year.

Manufacturing, Sourcing, Technology and Design

As Titan Watch business has aspiring plans to grow in terms of volume, value and its share in Indian as well international markets, Hong Kong sourcing office plays a crucial role in supplying the increased volumes of watches, cases, straps, dials and components from Hong Kong by enhancing the vendor base, networking and building relationship with key vendor fraternity. During 2010-11, about 3.5 million watches including 1.6 million of plastic watches for Sonata Super Fibre and Zoop, have been sourced from Hong Kong.

In addition to the enhanced volumes of sourcing, Hong Kong sourcing office was involved in identifying the contemporary designs, features, materials and developing new products on time at optimal cost. About 120 new products have been developed from Hong Kong during the year 2010-11. These include development of watches with mechanical automatic movements sourced from Japanese brands.

The Jewellery Division has introduced several productivity enhancing devices and ideas in the manufacturing plant and these have received professional recognition.

A new product line using a diamond like material but substantially lower in price, Diamantine has been introduced in the GoldPlus market.

Customer Karigar connect has been implemented through web conference technology to improve understanding of customer requirements at backend.

Expenditure on Research & Development

(Rs. lakhs)

		Year ended 31.3.2011	Year ended 31.3.2010
(a)	Capital	**29.59**	2. 03
(b)	Revenue	**301.69**	257.01
(c)	Total	**331.28**	259.04
(d)	Total R & D expenditure as percentage of turnover	**0.05%**	0.06%

Foreign Exchange earnings and outgo

During the year under review, the Company earned Rs.127.15 crores in foreign exchange and spent Rs.2969.17 crores (including Rs.2628.51 crores for procurement of gold and Rs.4.13 crores on capital imports).

On behalf of the Board of Directors,

Bhaskar Bhat — Managing Director
C G Krishnadas Nair — Director

Bangalore, 14th June 2011

Management Discussion and Analysis

India Overview

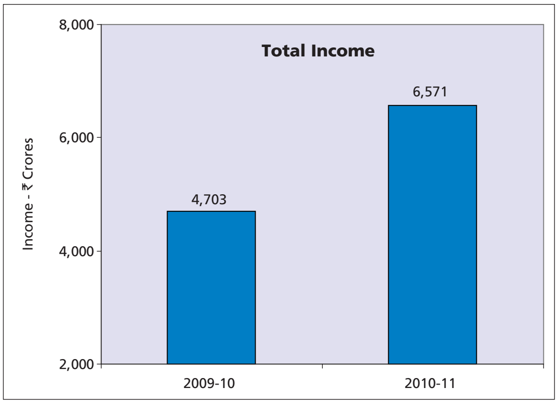
The Indian Economy in the year 2010-11 emerged with remarkable speed from the effects of the global financial meltdown, with an impressive 8.5% growth last year and an expectation of 9% in the coming year. However, within this ambience of progress and optimism, there is the spectre and challenge of containing inflation which has been vacillating from above 20% to the below 9.5% level. In addition, structural challenges remain in the economy, of corporate governance, ethical efficiency in the delivery of subsidies and building up infrastructure.

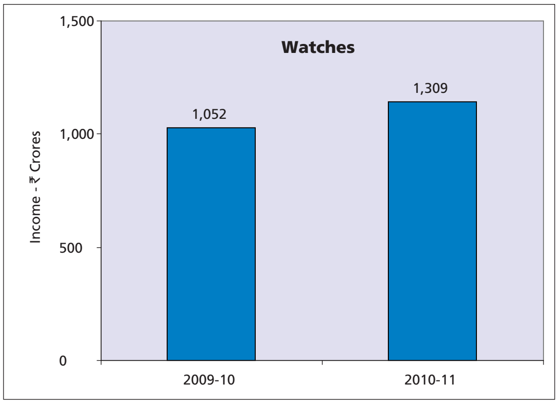
In this context, it is important to note that the economy, over the last three years, has successfully withstood two shocks in rapid succession: a) a collapse in world economic growth and trade caused by the financial crisis during 2007-2009 which persisted into 2010-11; and b) experiencing a negative growth in the crucial sector in agriculture in 2008-09, resulting in a drought in 2009-10. Cautious optimism is reflected as a consequence of macro-economic measures aimed at moderating inflation to forecast sustained growth ahead.

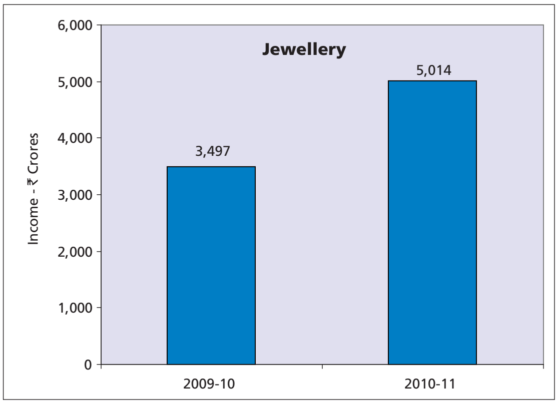
Business Overview

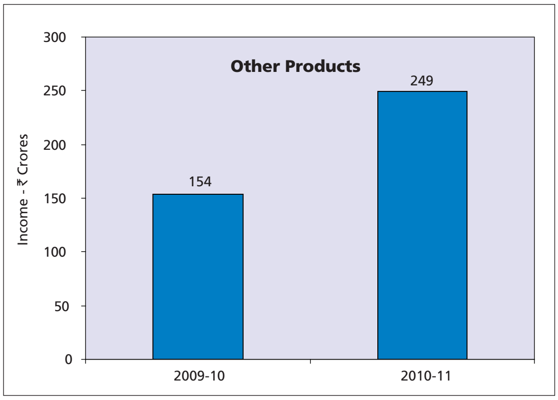
The recovery in economic performance has led to a significant improvement in consumer and business confidence. Consequently, retail sales of all our products witnessed consistent and high growth.

The Company has fared exceedingly well as a result of this. Income grew by 40% from Rs.4,703 crores last year to Rs.6,571 crores this year while the net profit increased by 72% from Rs.250.32 crores last year to Rs.434.02 crores this year.

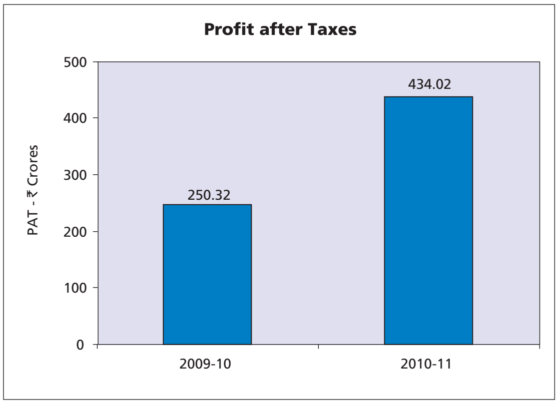








Titan Industries Limited



WATCHES & ACCESSORIES

Global trends in the Watches Industry

During 2010, global production of watches was estimated at around 1.2 billion timepieces, an increase of more than 20% compared to the previous year. Many global markets displayed a strong uptrend in sales volumes, after a sharp fall in demand during recession-hit 2009. Asian countries such as China, India and Singapore displayed rapid double-digit growth. The USA and many European countries also resumed a growth trend, albeit at a slow pace.

The premium and luxury end of the global watches market saw vigorous recovery, with export sales of the Swiss watch industry growing by 22% in 2010, compared to the previous year. Asia has now become the largest market for Swiss watches, absorbing 53% of Swiss watch exports during the year. This is also the reason why many premium and luxury brands are now investing significant amounts in Asian markets.

The Swatch group, global market leader in wrist watches, recorded gross sales of 6.44 billion Swiss Francs during 2010, a growth of 22% over the previous year. The group also reported record operating profits during 2010.

In the midst of these positive developments in the watches industry, one dark cloud that has appeared on the horizon has been the recent catastrophe that struck Japan, a large producer and consumer of watches and watch components. We anticipate a slow recovery with some continuing disruptions in supply in the short-term.

The Indian watches market

The Indian watches market continued to display good growth during 2010, with the premium watch market, in particular, recording a growth in excess of 25%. This is excellent news for the future of the industry, since global brands will continue to invest strongly in this rapidly growing market.

During 2010, your Company increased its market share in multi-brand outlets (as measured by M/s. Francis Kanoi Research) by a further 2% to 45%, in the face of competition from over 65 competitor brands. Our share in the total market including sales at exclusive stores and corporate clients stands at 47% by value.

The Company's market leadership and consistent growth was achieved through a well crafted portfolio of sharply defined brands, which dominate several consumer segments in the watches market – Titan for the mid-premium market, Raga for women, Fastrack for youth, Sonata for value-conscious consumers, Zoop for school children, and Xylys for connoisseurs of Swiss watches. Supplementing these brands is a wide and robust retail, distribution and service network which extends across the country.

In a significant development, the Company has also now entered the accessories market (sunglasses, bags, belts, wallets, wristbands) through the Fastrack brand. This will not only help the Company gain share in a large market, but will further enhance the appeal of the brand.

Based on these strong foundations, the watches business of the Company achieved a record profit before interest and taxes of Rs.186 crores and a robust ROCE of 73% during 2010/11. Titan, our flagship brand was ranked amongst the ten most trusted brands in the country, among 16,000 brands studied by the Brand Trust Advisory during 2010. In the same study, Fastrack was ranked the most trusted fashion accessories brand.

Key developments, milestones and areas of focus

During the year, brand Titan successfully launched several new collections of watches, which received excellent consumer response. These new launches included Purple by Titan, an offering of fashion watches; Raga Aqua, a new collection whose evocative designs were inspired by the oceans and seas; Tycoon by Titan, a new collection of gold look watches; and new products in the automatic watches range, which cater to premium consumers. Titan Zoop, which had been launched in the previous year, further strengthened its position in the children's watches category.

Sonata, which caters to value-conscious consumers and has a large presence in semi-urban India, continued to remain as India's largest watches brand in terms of volume sales. The brand was re-launched during the year, with the tagline of *"Wait Mat Kar"*. Sonata Superfibre, our offering of watches priced less than Rs.500, achieved record sales during the year. This huge segment remains a significant growth opportunity for the years ahead.

Xylys, our Swiss-made brand, also recorded an excellent year, with its highest ever sales. The brand has now established good momentum, and we hope to achieve further gains in the years ahead.

Fastrack, which is sharply focused on young India, continued to speak the language of the college-going youth. A new Hip-Hop collection of watches was launched during the year. The brand is now the largest in the Indian sunglasses market, in terms of volume. A successful national launch of Fastrack accessories (bags, belts, wallets and wristbands) was also completed during the year, and the initial response has been very encouraging. The Fastrack exclusive store network continued to expand, and ended the year with a total of 47 stores.

Our "World of Titan" network grew to 311stores by the end of the financial year 2010-11. The Company has launched two flagship stores, in Mumbai and Delhi. The Delhi flagship store also has the distinction of being the country's largest watches store. Our customer service network, which offers excellent and affordable service to millions of customers, grew to 829 authorized service points nationwide. We also continued to build strong partnerships with reputed modern departmental stores such as Shoppers' Stop, Central, Lifestyle, Westside, Pantaloons and Reliance Retail, which are emerging as attractive new shopping destinations, particularly in larger cities and towns.

Our new premium multi-brand watches retailing business, "Helios", witnessed a good year, with all stores performing well. "Helios" has been created with the specific objective of developing good and deserving retail space for the rapidly growing premium watches market in India. We are confident that it will contribute significantly to the development of this market, in a manner that is profitable for the Company.

Our international business witnessed a good year, with continuing success in several South East Asian and Middle Eastern countries, and a new launch of Titan watches in South Africa. In Vietnam, we launched a special series of watches to commemorate the 1000th anniversary of Hanoi, the country's capital and one of Asia's oldest cities.

Manufacturing, Sourcing, Technology and Design

The new assembly unit at Pant Nagar (Uttaranchal State), which had been opened in the previous year, made rapid progress. The Company also added significantly to its manufacturing capabilities at the parent factory located in Hosur, and invested further in the modernization of this unit. Our manufacturing facilities, and our proven technology capabilities, continue to be a key source of our business strength and competitive advantage.

The Titan Design Studio developed several new collections of watches, sunglasses and accessories. Apart from collections marketed by our brands, these included the limited edition "Eternal Mumbai" watches. These specially designed watches, inspired by the legendary Taj Mahal Hotel and the Chatrapati Shivaji Rail Terminus located in Mumbai, were launched in collaboration with the Taj Public Welfare Trust, as a small contribution by the Company to the splendid and eternal city of Mumbai which withstood the 26/11 terrorist attacks with strength and resilience.

A noteworthy development was a new Edge watch crafted in Titanium, which is now not merely the slimmest but also the lightest watch in the universe.

Titan Industries Limited

JEWELLERY DIVISION

Globally, gold continued to strengthen its role as a store of value as well as a good financial investment. India continues to be the largest consumer of gold jewellery in the world estimated at 680 tonnes durimg the last year according to World Gold Council (WGC).

The Jewellery Division experienced the price of gold moving up by more than 20% during FY 2010-11 and breached the Rs.2000/gm mark for 22kt by the end of 2010-11. Record imports happened in 2010. WGC has reported that bullion and bar sales have done very well across the country.

Given the sentiments around most of the developed world, experts remain bullish on gold.

Prices of rough diamonds moved up by 20% in December 2010 and this resulted in polished diamond prices moving up by a similar extent. By Q4, the rough prices moved up twice again, and the prices of polished diamonds have already moved up another 70%. Consequently, our procurement prices of polished diamonds have increased by around 90% in April 2011, compared to December 2010. This put a tremendous pressure both on the overall market and on the competitive position of our brands as the difference between our prices and our competitors widen on account of these steep increases.

We have put in place multiple strategies to deal with this challenge: sacrificing some gross margin to remain competitive; improving our exchange policy for increasing our value for money and a sustained education campaign communicating the superiority of Tanishq diamonds. The last one features Amitabh and Jaya Bachchan in a memorable and effective advertising film.

March 2011 also saw Excise Duty being levied on branded jewellery, this time to the extent of 1%. From what we understood from the Finance Ministry, this is applicable only on brands like Tanishq and not on "house mark" shops, which means that any big and reputed independent jeweller can avoid this. While Tanishq is absorbing this impact, it puts considerable pressure on Gold Plus.

Some of the reputed local jewellers are getting very ambitious and are showing high levels of aggression and have opened large stores in many cities, invested considerably in marketing and have done very well. A couple of jewellery houses have also gone for IPOs, with a clear eye on national expansion, while we closed the year with 120 Tanishq stores, 29 Gold Plus stores and 2 Zoya stores. Our expansion plans for 2011-12 are quite aggressive and should deal with this challenge adequately.

Overall, the year has ended on an excellent note for the Division, with record performance on EBIT margin, sales growth, studded share, Return on Capital Employed (ROCE) and Free Cash Flow. The Division received industry recognition in marketing, retailing and sourcing/manufacturing by winning the following awards:

- The ET Innovative Retailer of the Year;
- GoldPlus - 2 individual awards and Tanishq -1 individual award;
- Tanishq - Effies for the most effective Campaign of the Year;
- GoldPlus - Many awards for its loyalty programme Ananta;
- Zoya - the Best Store Launch of the Year Award
- Couture Jewellery of the Year Award.
- ISCM - CII Quality Award - the Golden Peacock Innovation Award.

It was also a great year for innovation in general. We took many new steps in the innovation area as a Company. One of the major steps was the Innovation Bazaar, which helped showcase more than 100 innovations across the Company, judged by an external jury. The second was the Vendor Partner Product Innovation Bazaar of the Jewellery Division, which was a new journey of strategic partnering with the vendors on product innovation.

The DSS (Double Studded Sales) programme of Tanishq was the highlight of the year. Under this umbrella programme, several initiatives such as increasing inventory of high value jewellery, improving exchange policy, conducting large exhibitions in many cities and an improved Queen of Diamonds promotion were successfully implemented. Two consumer activations were done for the first time in a year.

With these initiatives, the studded category grew by 50% (the highest in recent years, and on the largest base), which was quite exceptional. And this was achieved with very little increase in retail area. Gold jewellery also grew handsomely by 12% in grammage, despite the 20% price increase. The proportion of diamond studded jewellery sales to total sales (excluding coin sales) for Tanishq now stands at 34%.

The year also saw the launch of Taj collection and Glam Gold 2 in Tanishq; and Varnam, Pushpita, Diamantine™, Wedding collection and Saptara in GoldPlus.

The competitive situation and the customer sentiments that GoldPlus faced, were rather different from that of Tanishq.

A few big jewellers set up large format stores in some GoldPlus markets, invested considerably in marketing and discounts and penetrated into the GoldPlus franchise. However, the Company's focus on profits through studded sales was a major factor of our strategy. Focus on many collections in the diamond, diamantine and coloured stone categories gave GoldPlus substantial growth in the studded category and delivered the profits.

In GoldPlus, studded jewellery category grew by more than 135% during the year, even though the grammage of gold jewellery declined by 14%.

We also started on our second big idea for Gold Plus (the first was the world's largest bangle, launched in 2009). This was the Jewellery Nano, a Tata Nano car completely decked in jewellery, put together by technicians using various jewellery techniques. This Nano will be launched in June 2011.

Given the huge opportunity that the small town market offers in the gold Jewellery market, 2011-12 will see GoldPlus targeting 2 key objectives:

1. Brand Desire
    a. Campaign on purity, price rationalization
2. Market Leadership
    a. Big new stores, all in Andhra Pradesh, leading to consolidation in that State
    b. Some larger current stores offering more choice to customers.

Integrated Supply Chain

The Integrated Supply Chain organization delivered exceptionally to the needs of the stores, despite the substantial increase in load and uncertainties in diamond supplies. Twice during the year, we achieved an output of 100k Notional Pieces (NPs, which is the indicator of jewellery output productivity). Our plant in Dehradun has matured significantly and helped us achieve this.

The Jewellery business of the Company continues to work with skilled artisans (karigars) for producing good quality, well designed jewellery through the establishment of Karigar Parks supplying exclusively to the Company.

One big-ticket initiative for FY12 is the setting up of the 3 additional Karigar Centres, through which we will seek to produce close to 40% of the FY15 gold Jewellery output, compared to the current 26%. Apart from the recurring labour charge savings that these will deliver, they will also reduce the risk down considerably and help raise the quality standards of our production environment. The preparation for this has been started in 2010-11.

The Jewellery Division of the Company achieved a record profit before interest and taxes of Rs.429 crores and an impressive ROCE during 2010-11.

EYEWEAR

The eyewear industry continued to see intensive activity in 2010-11. Enhanced market activity and greater awareness and exposure to international eyewear trends of consumers in India is expected to grow the industry at a fast pace.

Titan Industries has now emerged as the leader in the eyewear industry both by way of network and turnover. It

Titan Industries Limited

has focused on aggressively expanding its retail chain, developing superior products, perfecting store experience, increasing profitability and building brand awareness and appeal. UCP Turnover of the eyewear business grew 58% with same store growth being 33%.

The Company now has over 150 exclusive eyewear stores and is present in 45 towns as on March 2011. Brand awareness has significantly improved and consumers today recognize Titan Eye+ a preferred destination for eyewear.

The eyewear industry still is largely unorganized with few national/regional optical chains. Competitive activity has increased and larger players are beginning to intensify their efforts to grow the market.

Titan Eye+ has taken a lead role in redefining the eyewear industry in India. During the year Titan Eye+ introduced many innovative and successful collections like Switchers Frames – with multiple temples, Manhattan frames for the Corporate consumer, Paolo Seminara – premium frames designed by a reputed Italian designer and Activ Lenses – tailor made to suit individual life styles of different consumers. Titan Eye+ heightened the style sensibility of consumers in eyewear through effective communication, setting up its own best-in-class lens manufacturing facility, and creating new standards in product quality while providing excellent customer oriented services.

Titan Eye+ will continue its thrust to expand operations and increase its retail network. It will also continue to focus on providing high quality and superior products and services across all its stores.

Your Company sees eyewear as a high potential business and expects it to be a significant contributor to the bottom-line in the years to come.

PRECISION ENGINEERING DIVISION

The year 2010–11 was the year of recovery for Precision Engineering Division. International customers in aerospace and oil & gas came out of recession, cleared their inventories and started with fresh enquiries and orders for new parts. Indian customers particularly in the automotive sector were buoyant and this reflected in several new orders for machine building and automation.

Machine Building & Automation (MBA)

Most of the business comes from the automotive industry. However, last year, we secured and executed orders for the first time from leaders in the electrical industry. Further, a breakthrough was achieved in providing an automation solution for medical devices. Nine new customers were acquired and the conversion ratio improved substantially.

Innovative solutions were designed and implemented in applications such as blood bag processing, laser welding with circular interpolation with high precision and stacking of 240 lead plates per minute.

Export orders were executed in China, Czech Republic and Bulgaria.

The coming year is expected to witness a greater growth with increased demand for automation solutions from several industries to cater to their expansion plans.

Precision Engineering Component and Sub-Assembly (PECSA)

The year saw increased business from key customers in aerospace, oil & gas and the electrical industry. Three new customers were added during the year and this will have a long term positive impact on the overall business. Increasing importance of India in aerospace component manufacturing became visible with as many as 21 aerospace companies visiting and interacting with us for possible business opportunities in contract manufacturing of precision parts.

The Aerospace industry is on the rebound with both the major aircraft manufacturers getting orders for new aircrafts from the airlines. This would mean an increase in demand for precision parts. Further, there is a significant demand to purchase and develop new parts from us, which would also mean laying more emphasis on part development.

Oil prices are at an all time high and the impetus on oil exploration is gathering momentum. Even during last year we found the demand from this sector increasing and expect the real thrust to happen in the coming year.

SEGMENT-WISE PERFORMANCE

Rs. lakhs

	Year ended 31-3-2011 (Audited)	Year ended 31-3-2010 (Audited)	**Consolidated year ended 31-3-2011 (Audited)**	Consolidated year ended 31-3-2010 (Audited)
Net sales/ Income from segments				
Watches	**126,646**	102,678	**127,360**	102,966
Jewellery	**502,723**	350,419	**502,723**	350,419
Others	**24,386**	15,176	**24,386**	15,176
Corporate (Unallocated)	**3,942**	355	**4,535**	428
Total	**657,697**	468,628	**659,004**	468,989
Profit / (Loss) from segments before interest and taxes and after share of loss of associate				
Watches	**18,623**	14,473	**18,744**	14,529
Jewellery	**42,910**	25,468	**42,910**	25,468
Others	**(1,806)**	(3,889)	**(1,806)**	(3,889)
Total	**59,727**	36,052	**59,848**	36,108
Less : Interest	**821**	2,542	**823**	2,540
Unallocable expenditure net of unallocable income	**(994)**	1,378	**(1,295)**	1,307
Profit before taxes	**59,900**	32,132	**60,320**	32,261
Capital Employed				
Watches	**28,034**	22,709	**28,802**	23,393
Jewellery	**(28,758)**	37,180	**(28,758)**	37,180
Others	**11,522**	7,802	**11,522**	7,802
Corporate (Unallocated)	**98,662**	12,502	**99,007**	12,650
Total	**109,460**	80,193	**110,573**	81,025

HUMAN RESOURCES

The year 2010-11 saw a net addition of 851 new recruits. As on 31st March 2011, the Company had 5204 employees on the Company rolls, out of which 2800 were in the factories, 2000 in Retail, Sales and Marketing and the rest in support functions.

The Company believes in its theme of **People First**, enabled by its philosophy of **care at the individual level**. This has been the corner stone of our HR policies and practices. Consequently, the attrition rate across levels in the organisation has been at 7.5 %, which is one of the lowest in the Industry.

Your Company continues to provide vital training and developmental programs to all its employees, both focused at building functional capabilities as well as developing behavioural attributes. We have completed mapping competencies of most roles in the organisation, which would be the foundation of understanding competency gaps at the individual level.

Your Company's Industrial Relations is excellent and continues reaching higher levels. Against the backdrop of a successful wage settlement both at Hosur and Dehradun , we have been able to engage and enhance the participation of the employees in various programs such as small group activities communication cascade sessions, safety forums etc These programs will be taken to the next level in the coming years and the relationships strengthened further.

Your Company's Affirmative Action policy received greater attention through the initiatives in the areas of Education, Entrepreneurship, Employment and Employability. Aligning itself to this natural need the Company now has adopted ITIs.

CLIMATE CHANGE

Your Company has been extremely conscious of its responsibilities as a corporate citizen in respect of our environment going well beyond statutory requirements. The Company's Watch manufacturing facilities at Hosur, Dehradun, Baddi, Roorkee, and Jewellery manufacturing and Precision Engineering facilities are certified for ISO 140001: 2004 version Environment Management practices.

Last year, the "I Live Green" project was formally launched as a significant corporate initiative to encompass manufacturing, retail, offices, logistics influencing not only our operations but also, direct & indirect employees, business associates and even end consumers.

We have measured our carbon footprint and have set specific metrics and targets for reduction in the same over the next 5 year.

HOW THE COMPANY FARED

Your Company achieved a growth of 40% in sales turnover and profit before taxes went up by 88% over the previous year. Net profit after taxes grew by 73% over the previous year.Some of the key financial indicators of the Company are as under:

	2010-11	2009-10	2008-09	2007-08
Sales to Net fixed assets (No. of times)	**21.73**	17.11	13.09	10.77
Sales to Debtors (No. of times)	**57.80**	50.24	36.22	31.53
Sales to Inventory (No. of times)	**3.30**	3.51	3.20	2.98
Retained Earnings - Rupees in crores	**433.57**	173.14	115.08	108.72
% of Net profit for the year	**99.9%**	69.2%	72.4%	72.4%
Return on Capital Employed (EBIT)	**58.2%**	45.4%	34.2%	34.8%
Return on Net worth	**46.1%**	39.2%	32.2%	39.4%

OUTLOOK FOR 2011-12

The Indian economy grew by about 8.5% in the year 2010-11. Notwithstanding the high inflation and the tightening of monitory policy by the Reserve Bank of India, consumer confidence in India continues to be very high which is reflected in the retail growth of various sectors.

The Watch Business will continue to pursue rapid and profitable growth through investment in brands, expansion of retail net work, new and nascent consumer segments, enhancing consumer happiness and build manufacturing and sourcing capabilities to support the future needs of the brands. The watch business will also scale up the 'Helios' retail format and consolidate the Fastrack accessories segment.

The Watch Business will also continue to build the brand in Vietnam and South Africa, besides extending intense marketing focus to Saudi Arabia, Singapore and Malaysia.

The Jewellery Business will continue its growth path through various initiatives, including launching of new and innovative collections, expansion of retail net work especially with large format stores, increasing share of studded jewellery by investing in marketing campaigns for diamonds. Initiatives have also been planned in the area of integrated supply chain and bullion management.

After navigating through a difficult period, the Precision Engineering Division of the Company will seek to enhance its revenue in both their verticals – Machine Building & Automation and Precision Engineered Components and Sub-assembles (PECSA).

The Company's Eyewear Business will continue to accelerate the pace of its retail network expansion. A host of new collections targeting different emerging and large segments of the middle class population will be launched. The Eyewear Division is keenly pursuing the task of being the most preferred optical store and consolidating its leadership position in the country.

Overall, the year 2011-12 will be a year where the Company would drive for strong and profitable growth in all its Indian consumer businesses, retain focus on elimination of wasteful costs, and skillfully navigate the international businesses which will continue to pose challenges due to sluggish demand in some of the geographies.

RISKS THREATS AND CONCERNS

Risk assessment at both the operational and the strategic level is undertaken by the Company continuously under the supervision of the Board.

Watches, Jewellery and Prescription Eye-wear are consumer led businesses and the retail network expansion is carried out largely through franchisees at the front end, which is an efficient way to expand rather than having Company owned/managed showrooms which is a costlier option. The relationships have to be actively managed to pre-empt shifting of loyalties of these franchisees to other product category brands/brands within these categories.

This risk is being addressed by maintaining a high level of engagement with the franchisees and addressing their reasonable business requirements in an empathetic manner via both contractual arrangements and day to day interface with these business associates.

Uncertainty and fluctuations in the cost of real estate has been another concern even as the retail network expanded across all its Divisions. With a view to enhance efficiency through integration, the Integrated Retail Services Group (IRSG) was created, with its main objective of identifying and establishing the best possible locations for our stores, across divisions while negotiating the best possible terms.

Your Company, in all its activities, also competes in a largely unorganized sector which often results in an uneven playing field. This challenge is addressed through constant representations in various industry associations and vocally advocating ethical practices.

Risks specific to each of the four Business divisions of the Company are as under:

Watches Division

- There is a perceived threat to the product category of watches as a time-keeping device due to the increased penetration and use of mobile phones which also display time. A survey was commissioned last year to evaluate the seriousness of this threat and address this risk by continuing to position watches as personal accessories and consistently launching new collections to stimulate consumer demand based not merely on functionality, but also on fashion and style. The establishment of the Helios retail store will also help rapidly grow the premium market for wrist watches in India, thereby further strengthening the watches category against the perceived risk from mobile phones or other products.
- A large grey market continues to hinder the growth of the organized watches market particularly in the economy segment and in the smaller towns of the country. To counteract this, your Company aggressively launched 'Sonata Superfibre' in this sub- Rs.500 segment. Simultaneously, raids were conducted on unscrupulous dealers selling counterfeit watches illegally using our trademarks and the Customs authorities have been requested to prevent import of watches or components bearing any of our brand names.
- A plethora of foreign brands continue to pose a risk to our market share but this risk has been addressed by continuously investing in our brands, and introducing several new products which fill in key gaps where competition has been gaining ground and market share. Launching of watches in new segments like Titan Automatics for the watch connoisseur and Titan Purple for the fashion conscious was a step in this direction. Your Company also aims to counter this threat by expanding its retail network significantly and focusing on dealer relationship programs.

Titan Industries Limited

- The relatively high cost of captive manufacturing remains a future risk, and your Company addresses the same by a multi-pronged approach which includes the establishment of low-cost assembly units in North India, increasing the use of automation in our manufacturing plants, hybridization of movements to reduce cost and several other measures to improve productivity.
- Increased outsourcing, particularly to China, is now being seen as a risk to secured supplies and cost as labour costs in China have started increasing significantly. Your Company seeks to mitigate this risk by expanding its current network of vendors in India and Hong Kong / China. The Hong Kong sourcing office has been established to address this risk.
- Your Company's dominant position in the low growing Indian market may limit its opportunities for growth. As the market leader, your Company has been growing the market by tapping new segments of the market like children (Zoop), youth and fashion (Fastrack) and lower end of the economic spectrum (Sonata sub Rs.500 segment). Several new collections of products have been introduced in existing segments, to stimulate consumer demand and encourage multiple watch purchase. We have also identified seven Asian countries where brand Titan can spread its wings outside India with calibrated marketing investments, thus creating a larger canvas for future volume growth. Successful launches have been completed during the past two years in Vietnam and South Africa.

Jewellery Division

- The rising price of gold and its impact on demand continues to be the biggest risk for the industry and division. Your Company will push its strategy to position jewellery as an adornment rather than pure investment thereby negating the effect of gold price hikes. A larger share of business from diamonds is the way out of this risk. With India's economy growing resulting in a scenario of higher disposal income, the effort will be to try and capture higher share of consumer wallet.
- Your Company has witnessed significant rise in the price of diamonds in the recent past which might have an impact on the competitiveness of its brands. To mitigate this risk, dialogues are on with sight holders for long term relationships and the Company also has started experimentation with buying large quantities of rough diamonds and processing them directly to start preparing for backward integration
- As the Company works with various vendors and management agents it exposes itself to fidelity risk. The risk is being addressed by instituting a process of frequent physical verifications, a tight control on inventory holding, fidelity insurance as well as consolidating all manufacturing under fewer units.
- Your Company operates the Golden Harvest and Gold Futures schemes to collect advances from customers for facilitating purchase of Tanishq and Goldplus jewellery. This is seen as very beneficial by customers but is likely to be hindered on account of Government regulations, especially with respect to implementing Know Your Customer (KYC) norms

Eyewear Division

- Your Company's outsourcing model comes with the risk of inadequate security of supply and its high dependence on China exposes it to rising costs. This has been addressed by building strategic partnership with select vendors and started manufacturing its own lenses. It is also evaluating own manufacture of other components.
- The low entry barriers have attracted many new organized/ international players into the market. The Company attempts to rapidly build a sustainable and differentiated business model by focusing on service through enhanced store experience, consistently build on the pillars of image management and optical expertise and continue to introduce differentiated products.
- As the division has been expanding its retail network, insufficient availability of industry specialist staff and retention of trained staff have been major causes of concern. The Company has been addressing these concerns by training the new recruits with the right service attitude, tying up with Sankara Netralaya to train optometrists and providing a professional working environment with opportunities to upgrade knowledge.

Precision Engineering Division

- The success of this division is dependent on attracting and retaining talented engineers who could leverage the Company's manufacturing capability built over the years. Such talent could be attracted to more manufacturing intensive Companies. The Company has embarked on a programme of attracting young talent – Graduate Engineering Trainees (GET) as well as Diploma Engineers for building bench strength to take care of attrition.

INTERNAL CONTROLS

Your Company's internal audit system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business, for safeguarding the assets of the Company and to meet with the compliances.

The internal audit program focuses primarily on checks and controls on systems and processes, monitoring compliances, continuous upgrade of controls and the current business risk assessment. This process enables reporting of significant audit observations to the Audit Committee. The Audit Committee reviews the audit observations and monitors the implementation through action taken reports.

During the year top business risks of the company covering all the divisions were updated. The Audit Committee recommends on risk mitigation plans on control activities including the policies and procedures to address risk-prone areas which are acted upon by the Management and other personnel.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which it operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE

The report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. The Company has complied with the applicable requirements of Clause 49 of the Listing Agreement.

A. MANDATORY REQUIREMENTS

CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that it must so govern its affairs as to optimise satisfaction amongst all its stakeholders, which includes its esteemed customers, providers of capital, employees, those from whom we buy and through whom we sell, the communities in which our primary activities take place and society at large. The Company attaches equal importance to both ends and means - the results sought to be secured and the methods used to achieve them. The Company believes that, in whatever it does, it must contribute to the economic and social development of India, a basic tenet of the Tata Group to which your Company belongs. The Company views the governance norms originating in the institutions of the capital market as an integral part of its corporate governance philosophy to be respected not just in the letter but, more importantly, in spirit. The Company realizes that it must disseminate information pertaining to its affairs so that all stakeholders may gain a true understanding of its activities and aspirations. The Company aims at attainment of the highest levels of transparency, accountability and equity in its operations, thus leading to best standards of Corporate Governance. It is the Company's belief that good ethics needs good business sense and our business practices are in keeping with this spirit by following the Tata Code of Conduct thereby maintaining high ethical standards. The Company has become a signatory to Global Compact, which has social dimensions to the functioning of the corporate entity within the ecosystem.

BOARD OF DIRECTORS

Titan Industries Limited was promoted by the Tamilnadu Industrial Development Corporation Limited (TIDCO) and the Tata Group. As on 31st March 2011, the Company had 11 Directors, comprising 10 Non-Executive Directors and 1 Executive Director.

The composition and category of Directors as of 31st March 2011 is as follows:

Category	Name of the Director	No. of Directors
Nominee Directors of TIDCO (Non-Executive, Non-Independent)	Mr. Debendranath Sarangi[1] Mr. Rajeev Ranjan Mr. V Parthasarathy	3
Nominee Directors of Tata Group (Non-Executive, Non-Independent) (Executive, Non-Independent)	Mr. Ishaat Hussain Mr. N.N.Tata Mr. Bhaskar Bhat	3
Other Directors (Non-Executive, Independent)	Mr. T.K.Balaji Dr. C.G.Krishnadas Nair Ms. Vinita Bali Mrs. Hema Ravichandar Mr. R Poornalingam	5
Total		11

[1]Mr. Debendranath Sarangi nominee of TIDCO, was appointed as Chairman and Non-Executive Director of the Company on 6th December 2010.

Mr. Sunil Paliwal nominee of TIDCO resigned on 6th December 2010.

Mr. Nihal Kaviratne resigned as Director on 3rd March 2011.

Prof. Das Narayandas was appointed as Independent Director of the Company with effect from 29th April 2011.

Mrs. Susan Mathew, IAS was appointed as Chairperson and Director of the Company, nominee of TIDCO with effect from 14th June 2011 in place of Mr. Debendranatah Saranagi who resigned on that date.

Dr, N Sundaradevan, IAS was appointed as Director of the Company, nominee of TIDCO with effect from 14th June 2011 in place of Mr. Rajeev Ranjan who resigned on that date.

During the year, the Company had a Non-Executive Chairman, a nominee of the Promoter and fifty percent of the total strength of the Board of Directors were independent until 3rd March 2011, when Mr. Nihal Kaviratne, Independent Director resigned from the Board. Prof. Das Narayandas was appointed as an Independent Director with effect from 29th April 2011.

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review.

The Board of Directors met five times during the Financial Year 2010-11. Board Meetings were held on 30th April, 27th July, 25th October in 2010 and on 28th January, 22nd March in 2011.

The information as required under Annexure 1A to Clause 49 of the listing agreement is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director and Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at 31st March 2011 are as indicated below:

Name of Director	No. of Board meetings attended out of 5 meetings of the Board of Directors	Whether attended last Annual General Meeting	No. of Directorships in domestic public companies (including this Company)		No. of Committee memberships in domestic public companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
Mr. Debendranath Sarangi[1]	2	NA	5	1	-	1
Mr. Rajeev Ranjan	4	Yes	4	8		
Mr. Bhaskar Bhat	5	Yes	1	4	-	1
Mr. N N Tata	2	Yes	-	9	1	2
Mr. Ishaat Hussain	5	Yes	2	12	3	6
Mr. T.K.Balaji	4	Yes	1	10	1	3
Dr. C.G.Krishnadas Nair	5	Yes	1	6	1	1
Ms. Vinita Bali	5	Yes	-	5	-	1
Mr. V. Parthasarathy	5	Yes	1	6	-	2
Mrs. Hema Ravichandar	3	Yes	-	2	-	1
Mr. R Poornalingam	5	Yes	-	5	-	1

[NA – Not Applicable]

[1]Mr. Debendranath Sarangi, nominee of TIDCO, was appointed as Chairman and Non-Executive Director of the Company on 6th December 2010.

CODE OF CONDUCT

Whilst the 'Tata Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2011. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

AUDIT COMMITTEE

The Audit Committee of the Board was constituted in 1999. The constitution of Audit Committee is in conformation with the requirements of Section 292A of the Companies Act, 1956 and also as per the requirements of Clause 49 (II) (A) of the Listing Agreement.

Powers of the Audit Committee

a) to investigate any activity within its terms of reference;

b) to seek information from any employee;

c) to obtain outside legal or other professional advice; and

d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee are as under:

a) Oversight of the Company's financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment and removal of statutory auditors, fixation of audit fees and also approval for payment for any other services.

c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- any changes in accounting policies and practices;
- major accounting entries based on exercise of judgment by management;
- qualifications in draft audit report;
- significant adjustments arising out of audit;
- the going concern assumption;
- compliance with accounting standards;
- compliances with Listing Agreement and other legal requirements concerning financial statements;
- any related party transactions.

d) Reviewing with the management matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

e) Reviewing with the management, statutory and internal auditors, the adequacy of the internal control systems.

f) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department; approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

g) Discussion with Internal Auditors any significant findings and follow up thereon.

h) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

i) Discussion with Statutory Auditors before the audit commences about the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.

j) Reviewing of management letters issued by the statutory auditor.

k) Reviewing the Company's financial and risk management policies.

l) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

m) Seek assistance from the Statutory Auditors in such areas and in such manner as desired by the Audit Committee from time to time.

n) Reviewing the functioning of the Whistle Blower mechanism.

o) Reviewing Management Discussion and Analysis of financial condition and results of operations.

p) Reviewing with the Management, the quarterly financial statements before submission to the Board of Directors for approval.

Mr. Nihal Kaviratne, Chairman of the Audit Committee up to 3rd March 2011, was present at the last Annual General Meeting of the Company.

As at the year-end, the Audit Committee of the Board comprised of five members, three of them being Independent Directors. All members are financially literate and have relevant finance and / or audit exposure. Mr. Ishaat Hussain is a Chartered Accountant and is a financial expert.

The Audit Committee met five times during the Financial Year 2010-11 on 30th April, 27th July, 25th October and 9th December in 2010 and on 27th January in 2011. The quorum as required under Clause 49 (II) (B) was maintained at all the Meetings.

The names of the Directors who are members of the Audit Committee and their attendance at Audit Committee Meetings are given below:

Name of Director& Category	No. of Meetings attended out of five meetings
Mr. Nihal Kaviratne[1] (Chairman) (Non Executive) (Independent)	3
Mr. Ishaat Hussain (Non Executive) (Non Independent)	5
Mr. T. K. Balaji (Non Executive) (Independent)	4
Dr. C. G. Krishnadas Nair (Non Executive) (Independent)	5
Mr. V. Parthasarathy (Non Executive) (Non Independent)	5
Ms. Vinita Bali (Non Executive) (Independent)	5

[1]Resigned on 3rd March 2011.

The Managing Director, the Associate Vice President - Finance, the Chief Operating Officers of the Watches, Jewellery, Prescription Eyewear and the Precision Engineering Divisions and the Head - Internal Auditor were present at Meetings of the Audit Committee. Representatives of the Statutory Auditors and representatives of the outsourced Internal Auditors, M/s. Ernst & Young are invited to the Meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee.

OTHER SUB-COMMITTEES OF THE BOARD OF DIRECTORS

a. Remuneration Committee

The broad terms of reference of the Remuneration Committee are to recommend to the Board the appointment / re-appointment of Managing Director and / or Whole-time Directors, the remuneration including Commission payable to the Managing Director, revision in salary to be paid from the succeeding financial year, based on evaluation of performance for the year under consideration. The performance evaluation is based on financial performance, market performance etc., of the Company. The Remuneration Committee also recommends the total remuneration payable to Non-Executive Directors and the criteria for payment amongst the Directors. The criteria for payment of Non-Executive Directors Commission for Financial Year 2010-11 is attendance at the Meetings of the Board and the Committees thereof.

Although the Committee did not meet during the Financial Year 2010-11, the Members held discussions amongst themselves and made appropriate recommendations to the Board.

The following Directors are the members of the Remuneration Committee:

Mr. T K Balaji (Chairman) (Non Executive) (Independent)

Mr. Ishaat Hussain (Non Executive) (Non Independent)

Mr. Sunil Paliwal[1] (Non Executive) (Non Independent)

Mr. Debendranath Sarangi[2] (Non Executive) (Non Independent)

Mrs. Hema Ravichandar[3] (Non Executive) (Independent)

[1] Member up to 6th December 2010

[2] Member from 28th January 2011

[3] Member from 28th January 2011

b. Shareholders' Grievance Committee

The Shareholders' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non-receipt of dividends declared by the Company, etc. During the Financial Year 2010-11, a meeting of the Shareholders' Grievance Committee was held on March 23, 2011. All the members were present at the meeting.

The members of the Shareholders' Grievance Committee are as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)

Mr. Bhaskar Bhat (Executive) (Non Independent)

Mr. V Parthasarathy (Non Executive) (Non Independent)

Mr. R Poornalingam (Non Executive) (Independent)

The Compliance Officer is the Company Secretary, Mr. A R Rajaram.

c. Share Transfer Committee

A Share Transfer Committee was constituted on 27th July 2009 to facilitate speedy disposal of requests pertaining to transfer, transmission, issue of duplicate share certificates etc. The Members of the Share Transfer Committee are as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)

Mr. Bhaskar Bhat (Executive) (Non Independent)

Mr. V Parthasarathy (Non Executive) (Non Independent)

Mr. R Poornalingam (Non Executive) (Independent)

d. Committee of Directors

The Board has constituted the Committee of Directors to approve routine and specific matters delegated by the Board.

The composition of the Committee of Directors is as follows:

Mr. Debendranath Sarangi[1] (Non Executive) (Non Independent)

Mr. Sunil Paliwal[2] (Non Executive) (Non Independent)

Mr. Ishaat Hussain (Non Executive) (Non Independent)

Mr. V Parthasarathy (Non Executive) (Non Independent)

Mr. Bhaskar Bhat (Executive) (Non Independent)

Mr. R Poornalingam (Non Executive) (Independent)

[1] Member from 28th January 2011

[2] Member up to 6th December 2010

The business transacted by the Committee as recorded in circular resolutions, are placed before the Board at the next meeting, for due ratification.

e. Ethics Committee

The Ethics Committee reviews the compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, and the Tata Code of Conduct.

The composition of the Committee is as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)

Mr. Bhaskar Bhat (Executive) (Non Independent)

Mrs. Hema Ravichandar (Non Executive) (Independent)

During the year 2010-11, this Committee held a Meeting on 27th July, 18th October in 2010 and on 23rd March in 2011.

Mr. C. Srinivasan has been designated as Chief Ethics Officer of the Company with effect from 19th February 2010. The Compliance Officer designated for compliance with SEBI Guidelines for Insider Trading, is Mr. S Rajarathnam, Associate Vice President - Finance for the financial year 2010-11.

f. Nomination Committee

Nomination Committee recommends to the Board most eligible nomination for appointment as Directors, appropriate to the Company's structure, size and complexity and special expertise and experience of the Directors in related domains / field.

The composition of the Committee is as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)

Mr. T. K. Balaji (Non Executive) (Independent)

Mr. N N Tata (Non Executive) (Non Independent)

Mr. Rajeev Ranjan (Non Executive) (Non Independent)

The Committee met once on March 22, 2011 during the financial year 2010-11.

SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary company. The Audit Committee reviews the financial statements, particularly, the investments made by the Company's non-listed subsidiary companies. The minutes of the non-listed subsidiary companies had been placed before the Board for their attention and major transactions and decisions of the subsidiaries, such as inter-corporate loans / investments are effected with prior approval by the Board of Directors of the Company.

The accounts of all the subsidiaries are placed before the Directors of the Company on a quarterly basis and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

Titan Industries Limited

DISCLOSURES

(a) Related Party Transactions: During the year under review, besides the transactions reported in Note 41 to Schedule J in the Annual Report, there were no other material related party transactions of the Company with its promoters, Directors or the management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information once in a year. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis.

(b) Disclosure of Accounting Treatment: The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

(c) Risk Management: The Risk Management of the Company is overseen by the Senior Management and the Board at various levels:

Business / Strategic Risk: The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/ approval of business plans, projects and approvals for business strategy / policy.

Operational Risks: These are being mitigated by internal policies and procedures which are updated from time to time to address updated risks.

Financial Risks: These risks are addressed on an ongoing basis by Treasury, Insurance and Forex Policies and Bullion Risk Management team. Due oversight on financial risks is exercised by the Audit Committee in its meetings.

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts.

The Board engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives culled out for top few risks of each of the businesses that the Company is into.

The Risk registers of each of the Business gets updated on a bi-annual basis and is placed for due discussions at Board meetings and appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimised.

(d) Disclosure by Senior Management: Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

(e) CEO / CFO Certification: The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2011, which is annexed hereto.

(f) Details of Non-Compliance: There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

(g) Whistle Blower Policy: 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. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosure 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 concerns. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website.

(h) **Secretarial Audit:** Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

REMUNERATION OF DIRECTORS

MANAGING DIRECTOR

The Company has during the year paid remuneration to its Managing Director by way of salary, perquisites and commission within the limits approved by the Shareholders. The Board of Directors on the recommendation of the Remuneration Committee approves the annual increment (effective April each year). Commission is calculated based on the net profits of the Company in a particular financial year and is determined by the Board of Directors on the recommendation of the members of the Remuneration Committee in the succeeding financial year, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Managing Director is based on performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the related financial year.

Details of the remuneration to the Whole-time Director during 2010-11 are as under:

(in Rs.)

Name	Salary	Perquisites & Allowances*	Commission**
Mr.Bhaskar Bhat, Managing Director	40,80,000/-	66,44,552/-	1,50,00,000/-

* excludes Leave Encashment amounting to Rs. 44,20,000/- paid during the financial year.

** based on the recommendations of the Remuneration Committee of the Board and after taking into consideration the performance during the Financial Year 2010-11 which is payable in Financial Year 2011-12.

The perquisites indicated above exclude gratuity and leave benefits, as these are determined on an actuarial basis for the Company as a whole. Commission is the only component of remuneration, which is performance linked and the other components are fixed. The Remuneration Committee also recommends to the Board of Directors increase in salary of the Managing Director based on results relating to the Company's financial performance, market performance and few other performance related parameters.

Broad terms of the agreement of re-appointment of the Managing Director are as under:

Period of Agreement	:	5 years from 1st April 2007.
Notice period	:	The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
Severance Fees	:	Nil

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid to Non-Executive Directors for the year 2010-11 had been computed pursuant to Sections 198, 309, 349 & 350 of the Companies Act, 1956.

The Commission payable to Non-Executive Directors is as per the approval obtained from the shareholders at the Annual General Meeting held on July 27, 2010 and is within the limits specified under the Companies Act, 1956.

Titan Industries Limited

The remuneration by way of Commission to the Non-Executive Directors is decided by the Board of Directors primarily based on attendance at the Meetings of the Board and the Committees thereof.

During the Financial Year 2010-11, the Company has paid Sitting Fees to Non Executive Directors detailed below and proposes to pay commission as shown below:-

(Rs.)

Name of Director	Commission*	Sitting Fees
Mr. Debendranath Sarangi	15,36,900/-	40,000/-
Mr. Rajeev Ranjan	12,08,100/-	87,500/-
Mr. Ishaat Hussain	26,84,600/-	2,00,000/-
Mr. N N Tata	5,36,900/-	40,000/-
Mr. T K Balaji	22,81,900/-	1,67,500/-
Dr. C G Krishnadas Nair	33,55,700/-	2,37,500/-
Mr. Nihal Kaviratne	16,10,700/-	1,20,000/-
Ms. Vinita Bali	24,16,100/-	1,80,000/-
Mr. V Parthasarathy	28,18,800/-	2,07,500/-
Mrs. Hema Ravichandar	10,73,800/-	75,000/-
Mr. R Poornalingam	14,76,500/-	1,07,500/-

* Gross amount, subject to tax and payable in Financial Year 2011-12

The Managing Director is not eligible to receive sitting fees as per the terms of appointment and the contract entered into with him.

Sitting fees and Commission payable to the Directors, who are nominees of the co-promoters viz., TIDCO are being paid directly to TIDCO.

Details of shares of the Company held by Non-Executive Directors as on 31st March 2011 are as below:

Name of Director	Number of Shares
Mr. Debendranath Sarangi	NIL
Mr. Rajeev Ranjan	NIL
Mr. N N Tata	2,345
Mr. Ishaat Hussain	703
Mr. T K Balaji	28,050
Dr. C G Krishnadas Nair	NIL
Ms. Vinita Bali	NIL
Mr. V. Parthasarathy	NIL
Mrs. Hema Ravichandar	NIL
Mr. R. Poornalingam	NIL

MEANS OF COMMUNICATION

Half-yearly report sent to each household of shareholders	:	No, the financial results are published in the Newspapers, as required under the Listing Agreements
Quarterly Results	:	-do-
Website, where results are displayed	:	The results are displayed on www.titan.co.in
Whether it also displays official news releases	:	Yes
Website for investor complaints		Pursuant to the amended listing agreements with the Stock Exchanges Clause 47(f) has been inserted for an exclusive e-mail ID for redressal of investor grievances. Accordingly, the Company has created an exclusive ID investor@titan.co.in for this purpose.
Presentations to institutional investors or analysts	:	Presentations made during the year to institutional investors are displayed in www.titan.co.in
Newspapers in which results are normally published	:	The quarterly results were published in The Business Standard, Financial Express, The Mint, Maharashtra Times and Dina Thanthi. However the audited financial results for the year ended 31st March, 2011, were published in Financial Express, Business Standard, Business Line, The Mint, Maharashtra Times and Dina Thanthi.
Whether Management Discussion & Analysis is a part of the Annual Report	:	Yes

PARTICULARS OF THE PAST THREE ANNUAL GENERAL MEETINGS

a) Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Time
2007-2008	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	31st July 2008	2:30 p.m.
2008-2009	-do-	27th July 2009	2:30 p.m.
2009-2010	-do-	27th July 2010	3:00 p.m.

b) No Extra-Ordinary General Meeting of the shareholders were held during the year.

c) No Postal Ballot was conducted during the financial year 2010-11. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

d) Special Resolutions passed in previous 3 Annual General Meetings:

At the Annual General Meeting held on 27th July 2010, Special Resolutions were passed:

1) For the re-appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2010-11, which was passed unanimously.

2) For payment of remuneration by way of commission to directors who are neither in whole time employment of the company nor managing director(s) of the Company, which was passed unanimously.

At the Annual General Meeting held on 27th July 2009, a Special Resolution was passed for the re-appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2009-10, which was passed unanimously.

Titan Industries Limited

At the Annual General Meeting held on 31st July 2008, Special Resolutions were passed for:

1) Delisting the Company's securities (equity shares and debentures) from Madras Stock Exchange.

2) Re-appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2008-09.

Both resolutions were passed unanimously.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Thursday, 28th July 2011, 3.00 p.m. at the Registered Office of the Company at 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Financial Year	1st April 2010 to 31st March 2011
Directors seeking appointment / re-appointment Book Closure Date	As required under Clause 49(IV)(G), particulars of Directors seeking appointment / re-appointment are given in the Explanatory Statement annexed to the Notice of the Annual General Meeting to be held on 28th July 2011. 26th July 2011 to 28th July 2011 (both days inclusive)
Dividend payment date	On or after 28th July 2011 (within the statutory time limit of 30 days) subject to shareholders' approval.
Financial Calendar Period (tentative) - Quarter ending 30th Jun 2011 - Quarter ending 30th Sep 2011 - Quarter ending 31st Dec 2011 - Quarter ending 31st Mar 2012	Board Meeting to approve quarterly financial results - 28th July 2011 - End October 2011 - End January 2012 - April / May 2012
Registered Office	3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited, Mumbai National Stock Exchange of India Limited, Mumbai
Listing fees	Listing fees as prescribed have been paid to all these stock exchanges up to 31st March 2012.
Share Registrar and Transfer Agents	**TSR Darashaw Limited** 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr E Moses Road, Mahalaxmi, Mumbai – 400 011 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com Tel No: 022-66568484 Fax No: 022-66568494
Company Secretary & Contact Address	**Mr. A.R. Rajaram** Head-Legal & Company Secretary Golden Enclave, Tower - B, 7th Floor, HAL Airport Road,Bangalore 560 017 E-mail: arrajaram@titan.co.in Tel No: 080-66609610 Fax No: 080-2526 3001 / 2526 9923

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches: of M/s TSR Darashaw Limited:-

TSR Darashaw Limited
503, Barton Centre, 5th Floor
84, M.G. Road,
Bangalore – 560 001
Tel: 080-25320321
Fax: 080 – 25580019
Email: tsrdlbang@tsrdarashaw.com

TSR Darashaw Limited
Tata Centre, 1st Floor
43, Jawaharlal Nehru Road
Kolkata – 700 071
Tel: 033 - 22883087
Fax: 033 - 22883062
Email: tsrdlcal@tsrdarashaw.com

TSR Darashaw Limited
Plot No.2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel: 011 – 23271805
Fax: 011 – 23271802
Email: tsrdldel@tsrdarashaw.com

TSR Darashaw Limited
Bungalow No.1, 'E' Road
Northern Town, Bistupur
Jamshedpur – 831 001
Tel: 0657 – 2426616
Fax: 0657 – 2426937
Email: tsrdljsr@tsrdarashaw.com

Shah Consultancy Services Limited
c/o. TSR Darashaw Limited
3-Sumatinath Complex,
Pritam Nagar, Akhada Road,
Opp. Kothawala Flats,
Ellisbridge, Ashram Road,
Ahmedabad - 380 006
Telefax: 079 - 2657 6038,
Email: shahconsultancy8154@gmail.com

SHARE TRANSFER SYSTEM

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrars, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

INVESTOR SERVICES

Number of complaints from shareholders during the year ended March 31, 2011

Complaints outstanding as on 1st April 2010	1
Complaints received during the year ended 31st March 2011	22
Complaints resolved during the year ended 31st March 2011	22
Complaints pending as on 31st March 2011	1

The complaint related to revalidation of dividend warrant of a shareholder and consequent change of address which had not been recorded by the Registrars. The shareholder has subsequently complied with the necessary documentary formalities and the revalidated dividend warrant has since been despatched to the shareholder.

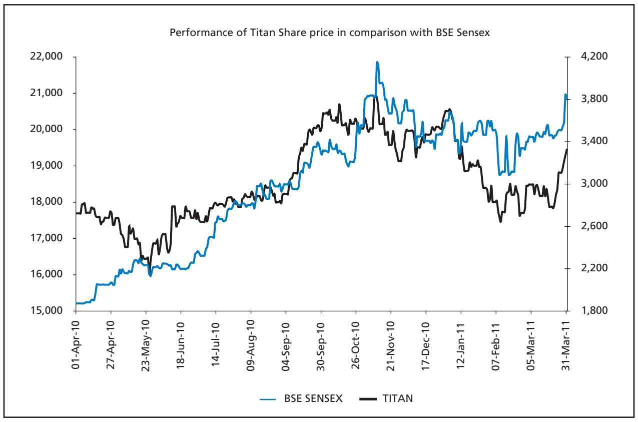
TITAN INDUSTRIES

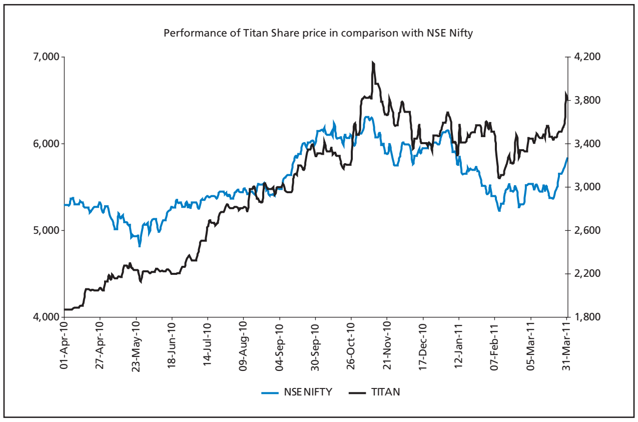
Titan Industries Limited

STOCK PERFORMANCE

Market Price Data - Bombay Stock Exchange Ltd

Month	Bombay Stock Exchange (in Rs.)		BSE Sensex
	High	Low	
April 2010	2129.45	1871.10	17558.71
May 2010	2296.50	2132.35	16944.63
June 2010	2365.55	2195.50	17700.90
July 2010	2839.75	2323.45	17868.29
August 2010	3033.50	2770.05	17971.12
September 2010	3394.15	2952.50	20069.12
October 2010	3579.20	3167.60	20032.34
November 2010	4149.85	3575.60	19521.25
December 2010	3790.00	3335.25	20509.09
January 2011	3682.40	3291.05	18327.76
February 2011	3595.60	3086.00	17823.40
March 2011	3843.00	3398.25	19445.22





Market Price Data - National Stock Exchange of India Ltd

Month	National Stock Exchange of India Ltd (in Rs.)		NSE Nifty
	High	Low	
April 2010	2129.25	1870.65	5278.00
May 2010	2305.55	2129.05	5086.30
June 2010	2370.25	2197.40	5312.50
July 2010	2842.80	2322.70	5367.60
August 2010	3035.95	2772.85	5402.40
September 2010	3396.80	2951.05	6029.95
October 2010	3587.95	3171.75	6107.70
November 2010	4146.75	3552.15	5862.70
December 2010	3784.20	3336.60	6134.50
January 2011	3686.85	3291.95	5505.90
February 2011	3597.75	3084.55	5333.55
March 2011	3845.30	3398.90	5833.75

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH 2011

No. of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	63,917	97.41	4,071,309	9.17
501-2000	1241	1.89	1,061,043	2.39
2001-3000	110	0.17	277,768	0.63
3001-4000	48	0.07	165,352	0.37
4001-5000	41	0.06	191,171	0.43
5001-10000	85	0.13	639,421	1.44
10001 and above	178	0.27	37,983,244	85.57
TOTAL	**65,620**	**100.00**	**44,389,308**	**100.00**

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2011

Category	No. of Share holders	No. of Shares Held	% of Shareholding
Tamil Nadu Industrial Development Corporation Ltd.	1	12,373,836	27.88
Tata Group Companies	26	11,369,567	25.61
FFI / FIIs / OCBs	151	4,319,076	9.73
Bodies Corporate	1,063	1,003,086	2.26
Unit Trust of India	1	2,456	0.01
Mutual Funds	80	3,672,309	8.27
Nationalised Banks	5	900	0.00
Others	64 293	11,648,078	26.24
Total	**65,620**	**44,389,308**	**100.00**

TOP TEN SHAREHOLDERS:

The Company's top ten shareholders as at 31st March 2011 are as shown below:

Sl. No.	Name	Holdings	% to total holding
1	Tamilnadu Industrial Development Corporation Ltd	12,373,836	27.88
2	Tata Sons Ltd	4,748,218	10.70
3	Kalimati Investment Company Ltd	3,877,792	8.74
4	Jhunjhunwala Rakesh Radheshyam	3,305,205	7.45
5	HDFC Trustee Company Limited - HDFC Equity Fund.	1,071,891	2.41
6	Jhunjhunwala Rekha Rakesh	1,053,806	2.37
7	Tata Investment Corporation Ltd	8,61,282	1.94
8	HDFC Trustee Company Limited - HDFC Top 200 Fund	853,225	1.92
9	Matthews Pacific Tiger Fund	722,044	1.63
10	FID Funds (Mauritius) Limited	711,137	1.60

STOCK CODE

Equity Shares - physical form	- Bombay Stock Exchange Ltd	:	500114
	- National Stock Exchange of India Ltd	:	TITAN

Titan Industries Limited

Equity Shares - demat form	- NSDL / CDSL	:	ISIN No. INE280A01010
Non-Convertible Debentures	- Demat form - NSDL /CDSL	:	ISIN No.INE280A07025

The Aggregate Non-promoter / Public Shareholding of the Company as at March 31, 2011 is as shown below:

Number of Shares : 20,645,905

Percentage to total holding : 46.51%

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March 2011, 96.24% of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL. Trading in equity shares of the Company is permitted only in dematerialised form with effect from 15.02.1999 as per the notification issued by the Securities and Exchange Board of India (SEBI).

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments: None

Stock option scheme : None

PLANT LOCATIONS

Watch Plants :
- (a) Plot Nos. 3, 4 & 5 SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
- (b) Mohabewala Industrial Area, Dehradun 248 002, Uttaranchal
  - (i) Unit : Khasra No. 148D, 173B,176A and 176B
  - (ii) Unit : Khasra No. 148B, 149B
- (c) Plot No.59, EPIP, Jharmajary Phase I, Solen District, Baddi 173 205 Himachal Pradesh
- (d) Plot No. C1,C2,C3, Khasra No.37, Village Bantakheri, Tehsil - Roorkee, District - Haridwar, Uttaranchal
- (e) Plot No. 10B, Khasra Nos. 150,151,152,153, Sector 2, Integrated Industrial Estate, SIDCUL, Pant Nagar 263 153, Udham Singh Nagar District, Uttarkhand

Precision Engineering Plants :
- (a) No.15 B, Bommasandra Industrial Area, Hosur Road, Anekal Taluk, Bangalore 562 158, Karnataka
- (b) Plot Nos. 27 & 28, SIPCOT Industrial Area, Hosur 635 126, Tamil Nadu

Jewellery and Clock Plants :
- (a) 29, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
- (b) Khasra No.238, Kuanwala Dehradun 248 001, Uttaranchal

Prescription Eyewear Lens Laboratory : Plot No. 27, Survey No.125, KIADB Industrial Area, Chikaballapur 562 101 Karnataka

ADDRESSES FOR CORRESPONDENCE

Registered Office : 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu

Corporate Office : Golden Enclave, Tower A, HAL Airport Road, Bangalore 560 017, Karnataka

B. NON MANDATORY REQUIREMENTS

The status of compliance in respect of Non-Mandatory requirements under Clause 49:-

1. **The Board** – No separate office is maintained for Non-Executive Chairman. Further, all expenses incurred in performance of duties by the Non-Executive Chairman are reimbursed.

   Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of the Company. None of the independent Directors on our Board have served for a tenure exceeding nine years from the date when the new Clause 49 became effective.

2. **Remuneration Committee** – The Company has constituted a Remuneration Committee to recommend appointment / re-appointment of Managing Director and Whole-Time Directors and to recommend / review remuneration of the Managing Director, Whole-time Directors and Non Executive Directors.

   Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Committee is an independent Director.

   No meeting of the Remuneration Committee were held during financial year 2010-11.

   The Chairman of the Remuneration Committee was present at the last Annual General Meeting.

3. **Shareholders Communications** – The Company displays its quarterly (unaudited), half-yearly (unaudited) and annual (audited) results on its website at www.titan.co.in which is accessible to all. The results are also published in an English newspaper having a wide circulation and in Tamil and Marathi newspapers having a wide circulation in Tamilnadu and Maharashtra respectively.

4. **Whistle Blower Policy** – Details are given under the heading "Disclosures".

5. **Audit Qualifications –** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

6. **Training of Board Members –** The Company's Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment.

7. **Mechanism for evaluating Non-Executive Board Members** – The Company has not yet adopted a policy for evaluation of Non-Executive Board members. Commission is distributed amongst the Non-Executive Board members currently based on attendance, this may be reviewed by the Board in future.

CERTIFICATE

To the Members of TITAN INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Titan Industries Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the condition of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.: 008072S)

B. Ramaratnam
Partner
(Membership No.: 21209)

Chennai, 14th June 2011

Titan Industries Limited

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Clause 49(V) of the Listing Agreement

April 29, 2011

The Board of Directors
Titan Industries Limited
3, SIPCOT Industrial Complex,
Hosur 635 126

CERTIFICATION TO THE BOARD PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Bhaskar Bhat, Managing Director and S. Subramaniam, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on March 31, 2011

1. we have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief :-
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. we have indicated to the auditors and the Audit Committee : -
   a) significant changes, if any, in internal control over financial reporting during the year;
   b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   c) instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

BHASKAR BHAT
Managing Director

S SUBRAMANIAM
Chief Financial Officer

DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2011.

for **TITAN INDUSTRIES LIMITED**

BHASKAR BHAT
Managing Director

14th June 2011

Shareholders' Information

Quick Information

- Number of equity shareholders – 65,620
- Number of equity shares held – 44,389,308
- Stock exchanges in which the equity shares are listed:

  Bombay Stock Exchange Limited **(BSE)**.

  National Stock Exchange of India Limited **(NSE)**.
- 96.24% of the company's equity capital is held in dematerialized form with **NSDL** and **CSDL**.
- M/s. TSR Darashaw Limited is the Registrar and Transfer Agents **(R & TA)** of the Company.
- Non Promoter/Public Shareholding as on 31st March 2011 – 20,645,905 amounting to 46.51%.

Investor Grievances handling Mechanism

Investor service matters are being handled by M/s. TSR Darashaw Limited. They have branches across the country and discharge investor service functions efficiently, effectively and expeditiously. The Company has an established mechanism for investor service and grievance handling, with M/s. TSR Darashaw Limited.

SUGGESTIONS TO SHAREHOLDERS

Open Demat Account and dematerialise your shares

In the best interest of the investors it is suggested to convert their physical holdings of securities into demat holdings. By holding securities in demat form helps investors to get immediate transfer of securities. Stamp duty would not be payable on transfer of shares held in demat form. Risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries can be avoided.

Dematerialization of shares

Trading in the shares of the Company is compulsory in dematerialized form for all investors. The Company has, therefore, enlisted its shares with both the depositories, viz, NSDL and CDSL. This means that you have now have the option to hold and trade in the shares of the Company in electronic form.

What Is Dematerialisation of shares?

Dematerialisation is a process by which the physical share certificates of an investor are taken back by the Company and an equivalent number of securities are credited in electronic form at the request of the investor. An investor will have to first open an account with a Depository Participant and then request for the dematerialisation of his share certificates through the Depository Participant so that the dematerialised holdings can be credited into that account. This is very similar to opening a Bank Account.

What is a Depository?

A depository is an organisation which holds securities (like shares, debentures, bonds, government securities, mutual fund units etc.) of investors in electronic form at the request of the investors through a registered Depository Participant. It also provides services related to transactions in securities.

How many Depositories are registered with SEBI?

At present two Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are registered with SEBI.

Is a depository similar to a bank?

It can be compared with a bank, which holds the funds for depositors. A Bank – Depository analogy is given in the following table:

BANK	DEPOSITORY
Holds funds in an account	Holds securities in an account
Transfers funds between accounts on the instruction of the account holder	Transfers securities between accounts on the instruction of the BO account holder
Facilitates transfer without having to handle money	Facilitates transfer of ownership without having to handle securities
Facilitates safekeeping of money	Facilitates safekeeping of securities

Titan Industries Limited

Who is a Depository Participant?

A Depository Participant (DP) is an agent of the depository through which it interfaces with the investor and provides depository services. Public financial institutions, scheduled commercial banks, foreign banks operating in India with the approval of the Reserve Bank of India, state financial corporations, custodians, stock-brokers, clearing corporations /clearing houses, NBFCs and Registrar to an Issue or Share Transfer Agent complying with the requirements prescribed by SEBI can be registered as DP. Banking services can be availed through a branch whereas depository services can be availed through a DP.

Is it compulsory for every investor to open a beneficial owner (BO) account to trade in the capital market?

In view of the convenience of trading in dematerialised mode, it is advisable to have a beneficial owner (BO) account for trading at the exchanges.

Benefits of Demat

- Reduces risks involved in holding physical certificated, e.g., loss, theft, mutilation, forgery, etc.
- Ensures transfer settlements and reduces delay in registration of shares.
- Ensures faster communication to investors.
- No stamp duty is paid on transfer of shares.
- Provides more acceptability and liquidity of securities.
- Faster settlement cycles and payouts.
- Postal delays and loss of shares in transit is prevented.
- Periodic status reports and information available on internet.
- Easy portfolio monitoring.

What is the procedure to dematerialise the shares?

- Open an account with a Depository Participant (DP) of your choice by filling up an Account Opening Form.
- Fill up and submit a Dematerialisation Request Form (DRF) provided by the DP duly signed by all the holders and surrender the physical shares intended to be dematted to the DP. The DP upon receipt of the shares and the DRF, will issue you an acknowledgement and will send an electronic request to the Company/ Registrars and Transfer Agents of the Company through the Depository for confirmation of demat.
- The DP will simultaneously surrender the DRF and the shares to the Company / Registrars and Transfer Agents of the Company with a covering letter requesting the Company to confirm demat.
- The Registrars and Transfer Agents of the Company, after necessary verification of the documents received from the DP, will cancel the physical shares and confirm demat to the Depository.
- This confirmation will be passed on by the Depository to the DP which holds your account. After receiving this confirmation from the Depository, the DP will credit your account with the number of shares dematerialized.
- The DP will hold the shares in the dematerialized form thereafter on your behalf. And you will become the beneficial owner of these dematerialized shares.

Can odd lots be dematerialized?

Yes, odd lot share certificates can also be dematerialized.

Why should an investor give his bank account details at the time of BO account opening?

Bank account details are necessary for the protection of interest of investors. When any cash or non cash corporate benefits such as rights or bonus or dividend is announced for a particular scrip, depositories provide to the concerned issuer / it's RTA, the details of the investors, their electronic holdings as on record / book closure date for reckoning the entitlement of corporate benefit.

The disbursement of cash benefits such as dividend is credited directly by the Issuer/it's RTA to the beneficiary owner through the ECS (Electronic Clearing Service wherever available) facility or by issuing warrants on which bank account details are printed for places where ECS facility is not available. The bank account number is mentioned on the dividend and warrant to avoid any fraudulent misuse. The bank account details will be those which are mentioned in account opening form or modified details that had been intimated subsequently by the investor to the DP.

Can multiple accounts be opened?

Yes. An investor can open more than one account in the same name with the same DP and also with different DPs. For all the accounts, investor has to strictly comply with KYC norms including Proof of Identity, Proof of Address requirements as stipulated by SEBI and also provide PAN number. The investor has to show the original PAN card at the time of opening of demat account.

Does the investor have to keep any minimum balance of securities in his account?

No.

Can investor close his demat account with one DP and transfer all securities to another account with another DP?

Yes. The investor can submit account closure request to his DP in the prescribed form. The DP will transfer all the securities lying in the account, as per the instruction, and close the demat account.

Do dematerialised shares have distinctive numbers?

Dematerialised shares do not have any distinctive numbers. These shares are fungible, which means that all the holdings of a particular security will be identical and interchangeable

Can electronic holdings be converted back into physical certificates?

Yes. The process is called rematerialisation. If one wishes to get back his securities in the physical form he has to fill in the RRF (Remat Request Form) and request his DP for rematerialisation of the balances in his securities account.

What is the procedure to rematerialise the shares?

- Shareholders should submit duly filled in rematerialisation request form (RPF) to the concerned DP.
- DP intimates the relevant Depository of the request through the system.
- DP submits RRF to the company's R&TA.
- Depository confirms rematerialisation request to the company's R&TA.
- The company's R&TA updates accounts and prints certificate(s) and informs the depository.
- Depository updates the beneficiary account of the shareholder by deleting the shares so rematerialized. Share certificate(s) is despatched to the shareholder.

What is ISIN?

ISIN (International Securities Identification Number) is a unique 12 digit alpha-numeric identification number allotted for a security (E.g.- INE383C01018). Equity-fully paid up, equity-partly paid up, equity with differential voting /dividend rights issued by the same issuer will have different ISINs**.**

How does one know that the DP has updated the account after each transaction?

The DP provides a Transaction Statement periodically, which gives details of current balances and various transactions made through the depository account. If desired, DP may provide the Transaction Statement at intervals shorter than the stipulated ones, probably at a cost.

At what frequency will the investor receive his Transaction Statement from his DP?

DPs have to provide transaction statements to their clients once in a month, if there is any transaction and if there is no transaction, then once in a quarter.

DPs also provide transaction statement in electronic form under digital signature subject to their entering into a legally enforceable arrangement with the BOs to this effect.

Nomination Facility

What is nomination Facility?

Section 109A of the Companies Act, 1956 provides the facility of nomination to shareholders. This facility is useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of the death of all joint holders

How to appoint a nominee?

Investors, who are holding shares in single name, are advised to avail of the nomination facility with the R&TA. However if the shares are held in demat form, nomination facility has to be registered with the concerned DP directly, as per the format prescribed by the DP.

Who can appoint nominee?

Individuals holding shares in single name or joint names can appoint nominees. In case of joint shareholding, joint holders together have to appoint the nominee. Non-individuals including society, trust, body corporate, karta of Hindu Undivided Family, holder of power of attorney cannot nominate.

Who can be appointed as a nominee & who cannot be appointed as a nominee?

Individual can be appointed as a nominee. Minor can be appointed as a nominee.

A Trust, Society, body corporate, partnership firm Karta of a HUF or a power of attorney holder cannot be nominees.

Can joint shareholders deemed to be nominee(s) to the shares?

Joint shareholders are not deemed to be the nominee(s).However joint shareholders may, together appoint a nominee. In the event of death of any one of the joint holders, surviving joint holder/s of shares is/are the only person(s) recognized under the law as holder(s) of the shares.

Rights of the nominee

The nominee is entitled to all the rights of the deceased shareholder to the exclusion of all other persons. In the event of death of a shareholder, all the rights of the shareholder shall vest with the nominee. In case of joint shareholding, all t he rights shall vest with the nominee only in the event of death of all the joint shareholders.

Consolidate multiple portfolios

It is suggested that all the investors to consolidate their shareholding held in multiple portfolios. It would facilitate reduction of time and efforts to monitor multiple portfolios. It also avoids multiple tracking of corporate benefits.

DIVIDENDS

Payment of dividend:

The dividend is paid in two modes. They are:

(1)National Electronic Clearing Service (NECS).

(2) Physical dispatch of Dividend Warrant

What is National Electronic Clearing Service Facility?

NECS facility is centralized version of ECS facility. National Electronic Clearing Service (NECS) was introduced during September 2008 for centralized processing of repetitive and bulk payment instructions. The service aims to centralise the Electronic Clearing Service (ECS) operation and bring in uniformity and efficiency to the system. The system takes advantage of the centralized accounting system in banks. NECS (Credit) would facilitate multiple credits to beneficiary accounts destination branch at participating centre against a single debit of the account of a user with the sponsor bank. NECS (Debit) would facilitate multiple debits to destination account holders against single credit to user account. The branches participating in NECS can be located anywhere in the country.

As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the Electronic Clearing Service of the Reserve Bank of India (RBI) at designated locations, for payment of dividend to shareholders holding shares in dematerialised form. The service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In this system, the investor's bank account is directly credited with the dividend amount.

As per RBI's notification, with effect from 1st October 2009, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS). NECS operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Pursuant to implementation of CBS, **your bank account number may have undergone a change, which is required to be communicated by you to your Depository Participant (in case of shareholders holding shares in dematerialised form) or to the Company's Share Transfer Agent (in case of shareholders holding shares in physical form, in which case the communication may be made in the Mandate Form which had been mailed to the shareholders.**

Shareholders holding shares in physical form who have not yet opted for the ECS Mandate Facility, are urged to avail of the NECS Mandate Facility as this not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminate dependence on the postal system, loss / damage of dividend warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant / Company) and are communicated **before commencement of the book closure date, to facilitate receipt of dividend. Please note that if your new bank account number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned.** Shareholders are requested to refer to the NECS Mandate Form mailed to them by the Company.

Benefits of NECS Facility

- The shareholder need not visit his bank for depositing the paper instruments which he would have otherwise received had he not opted for ECS Credit.

- The shareholder need not be apprehensive of loss/theft of physical instruments or the likelihood of fraudulent encashment thereof.
- Cost effective.
- Prompt credit to bank account of the shareholder through electronic clearing.

How to avail NECS Facility?

Investors holding shares in physical form can send the NECS Mandate form, duly filled in, to the Company's R&TA. However, if shares are held in dematerialised form, NECS mandate form has to be sent to the concerned Depository Participant (DP) directly, in the format prescribed by the DP. It is to be noted that NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. Shareholders are requested to provide the new Bank Account Number allotted by the banks post implementation of CBS, along with a copy of cheque relating to the concerned account, to the R& TA of the Company in case you hold shares in physical form and to the concerned depository participant in case you hold shares in demat form.

Unpaid Dividend

Members may please note that pursuant to Section 205C of the Companies (Amendment) Act, 1999, the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims. Periodic intimation in this regard is sent to the concerned shareholders. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to the Investor Education and Protection Fund.

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid dividend
31.03.2004	August 31, 2004	August 30, 2011
31.03.2005	August 31, 2005	August 30, 2012
31.03.2006	August 21, 2006	August 20, 2013
31.03.2007	July 27, 2007	July 26, 2014
31.03.2008	July 31, 2008	July 30, 2015
31.03.2009	July 27, 2009	July 26, 2016
31.03.2010	July 27, 2010	July 26, 2017

Titan Industries Limited

AUDITORS' REPORT

TO THE MEMBERS OF TITAN INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of TITAN INDUSTRIES LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner
(Membership No. 21209)

Mumbai, 29th April, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xii), (xiii), (xiv) and (xx) of CARO are not applicable.

ii) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Most of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii) In respect of its inventories:

(a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

iv) (a) During the year the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. In respect of unsecured loans, granted to such a party in earlier years, the maximum amount involved at any time during the year and the year end balance is Rs. 3193.14 lakhs and Rs. 240.54 lakhs respectively. The balance has been fully provided as no recoveries are expected and therefore clauses (iii) (b) to (d) of CARO are not applicable.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and therefore clauses (iii) (f) and (g) of CARO are not applicable.

v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased/sold are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations/ prices, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.

vi) In respect of the contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, and having regard to our comments in paragraph (v) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time .

Titan Industries Limited

vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956.

viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the manufacture of watches and clocks and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities. As at 31st March, 2011 there are no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they became payable except for Rs 3.68 lakhs relating to Value Added Tax and the same has been subsequently paid.

(b) Details of dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited as on 31st March, 2011 on account of any disputes are given below:

Name of Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where Dispute is pending
Income-tax Act, 1961	Income tax	2.39	1997-98	Bombay High Court
		25.21	2002-03	Income Tax Appellate Tribunal
		340.76	2007-08	Dispute Resolution Panel
Sales Tax Laws	Sales tax	71.55	2000-01	The High court of Judicature of AP, Hyderaad
		13.81	2000-01	Deputy Commissioner (Appeals)
		37.71	2003-04, 2005-06 & 2008-09	Additional Commissioner
		224.84	2001-03 & 2004-08	Deputy Commissioner
		5.86	2004-05	Assistant Commissioner
		8.55	2010-11	Commercial Tax Inspector
The Customs Act, 1962	Customs duty	316.94	1989-94	Supreme Court
The Central Excise Act, 1944	Excise duty	2,272.59	May 2005 to March 2009	Supreme Court
		0.42	July 2001 to July 2002	High Court
		584.88	March 1987 to February 1990, April 1995 to October 1998 and 2001- 09	Customs, Excise and Service Tax Appellate Tribunal
		3.74	March 2002 to February 2003 & July 2007 to February 2009	Commissioner (Appeals)
		9.54	July 1999 – November 1999	Additional Commissioner
		392.56	1996 - 97, 1998-2001, 2004 - 07	Assistant Commissioner

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and debenture holders.

xii) The Company has not given any guarantee for loans taken from banks or financial institutions.

xiii) In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which it was obtained.

xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet we report that, funds raised on short term basis have not been used during the year for long term investment.

xv) The Company has not made any preferential allottment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xvi) As per the information and explanations given to us, the Company has created security in respect of debentures issued.

xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner
(Membership No. 21209)

Mumbai, 29th April, 2011

Titan Industries Limited

Balance Sheet as at 31 March 2011

₹ lakhs

	Schedule	As at 31-3-2011		As at 31-3-2010
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	A	**4438.93**		4438.93
Reserves and surplus	B	**98099.03**		67999.40
			102537.96	72438.33
Loan funds				
Secured loans	C		**6769.93**	7279.04
Deferred tax liability (Net)			**151.82**	475.49
Total			**109459.71**	80192.86
APPLICATION OF FUNDS				
Fixed assets	D			
Gross block, at cost		**67214.55**		62432.67
Less : Depreciation		**38907.70**		36169.59
Net block		**28306.85**		26263.08
Advances on capital account and capital work in progress, at cost		**1935.63**		1228.67
			30242.48	27491.75
Investments	E		**912.76**	762.89
Current assets, loans and advances	F			
Inventories		**199382.87**		134033.15
Sundry debtors		**11367.89**		9360.76
Cash and bank balances		**109488.78**		18671.84
Loans and advances		**22000.23**		18305.54
		342239.77		180371.29
Less :				
Current liabilities and provisions	G			
Current liabilities		**241927.32**		114958.97
Provisions		**22007.98**		13474.10
		263935.30		128433.07
Net current assets			**78304.47**	51938.22
Total			**109459.71**	80192.86
Notes	J			

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

For and on behalf of the Board of Directors

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar

Directors

Profit and Loss Account for the year ended 31 March 2011

₹ lakhs

	Schedule	Current Year		Previous Year
INCOME				
Sales			**657086.38**	470312.30
Less : Excise Duty			**4996.87**	2870.13
Net Sales Income			**652089.51**	467442.17
Other income	H		**5607.63**	1185.85
Total			**657697.14**	468628.02
EXPENDITURE				
Operating and other expenses	I		**593527.83**	427946.43
Depreciation / Amortisation			**3448.25**	6008.01
Interest			**820.97**	2541.88
Total			**597797.05**	436496.32
PROFIT BEFORE TAXES			**59900.09**	32131.70
Income taxes - Current		**16860.00**		8150.00
- Deferred		**(323.67)**		(1342.31)
			16536.33	6807.69
PROFIT AFTER TAXES			**43363.76**	25324.01
Less : Income tax of earlier years			**322.26**	291.65
NET PROFIT			**43041.50**	25032.36
Profit brought forward			**27291.61**	21102.53
Amount available for appropriation			**70333.11**	46134.89
Appropriations				
Transfer to debenture redemption reserve		**528.00**		528.00
Proposed dividend on equity shares		**11097.33**		6658.40
Tax on dividends		**1800.26**		1105.88
Transfer to general reserve		**13646.00**		10551.00
			27071.59	18843.28
Balance carried to Balance Sheet			**43261.52**	27291.61
Earnings per share of ₹10 each - Basic and diluted (₹)			**96.96**	56.39
Notes	J			

The Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

For and on behalf of the Board of Directors

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Titan Industries Limited

Cash flow statement for the year ended 31 March 2011

₹ lakhs

	Current Year	Previous Year
A. Cash flow from operating activities		
Net profit before tax	**59900.09**	32131.70
Adjustments for :		
- Depreciation / Amortisation	**3448.25**	6008.01
- Unrealised exchange difference (net)	**141.45**	(426.61)
- Marked to Market loss	**118.08**	219.42
- Loss on sale/ disposal/ scrapping of fixed assets (net)	**180.81**	324.15
- Loss/ (gain) on sale of investments	**-**	(7.97)
- Bad debts written off	**48.32**	-
- Provision for doubtful debts/ advances (net)	**(13.81)**	64.05
- Interest income	**(5511.17)**	(1062.62)
- Dividend income	**(1.14)**	-
- Interest expense	**820.97**	2541.88
Operating profit before working capital changes	**59131.85**	39792.01
Adjustments for :		
- (Increase)/Decrease in sundry debtors	**(1995.29)**	1170.68
- (Increase)/Decrease in inventories	**(65349.72)**	(13763.98)
- (Increase)/Decrease in loans and advances	**(2149.45)**	(1905.59)
- Increase/(Decrease) in current liabilities and provisions	**130082.83**	22302.16
Cash generated from operations	**119720.22**	47595.28
- Direct taxes paid	**(17224.32)**	(13404.79)
Net cash from operating activities	**102495.90**	34190.49
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	**(6624.12)**	(4415.84)
Proceeds from sale of fixed assets	**84.97**	187.49
Purchase of investments- Others	**(150.00)**	(0.45)
Proceeds from redemption of investments	**0.13**	11.97
Dividends received	**1.14**	-
Interest received	**3963.71**	1052.56
Net cash used in investing activities	**(2724.17)**	(3164.27)
C. Cash flow from financing activities		
Proceeds from new borrowings	**-**	1042.68
Repayment of borrowings	**(542.22)**	(11046.81)
Dividends paid	**(6615.83)**	(4415.42)
Tax on dividends paid	**(1105.88)**	(754.40)
Interest paid	**(797.99)**	(2620.59)
Net cash used in financing activities	**(9061.92)**	(17794.54)
Net cash flows during the year (A+B+C)	**90709.81**	13231.68
Cash and cash equivalents (opening balance)	**18671.84**	5469.10
Add / (Less) :Unrealised exchange (gain) / loss	**42.77**	13.83
	18714.61	5482.93
Cash and cash equivalents (closing balance)	**109488.78**	18671.84
Add / (Less) :Unrealised exchange (gain) / loss	**(64.36)**	42.77
	109424.42	18714.61
Increase in cash and cash equivalents	**90709.81**	13231.68

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

For and on behalf of the Board of Directors

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Schedules forming part of Balance Sheet

₹ lakhs

			As at 31-3-2011	As at 31-3-2010
" A "	**Share capital**			
	Authorised			
	8,00,00,000 equity shares of ₹ 10 each		**8000.00**	8000.00
	40,00,000 redeemable cumulative preference shares of ₹ 100 each		**4000.00**	4000.00
			12000.00	12000.00
	Issued and subscribed			
	4,43,89,308 equity shares of ₹ 10 each, fully paid up		**4438.93**	4438.93
			4438.93	4438.93
" B "	**Reserves and surplus**			
	Capital reserve		**13.28**	13.28
	Share premium account		**13888.27**	13888.27
	Debenture redemption reserve			
	As per last Balance Sheet	**2069.00**		1541.00
	Add : Transfer from Profit and Loss Account	**528.00**		528.00
			2597.00	2069.00
	Hedging reserve			
	As per last Balance Sheet	**45.90**		-
	Add / (Less) : Movements during the year (net)	**(44.28)**		45.90
			1.62	45.90
	General reserve			
	As per last Balance Sheet	**24691.34**		14140.34
	Add : Transfer from Profit and Loss Account	**13646.00**		10551.00
			38337.34	24691.34
	Balance in Profit and Loss Account		**43261.52**	27291.61
			98099.03	67999.40
" C "	**Secured loans**			
	6.75% non convertible debentures of ₹ 250 each, fully paid up {refer Note 5 and 8}		**5282.60**	5282.60
	From a Bank			
	Foreign Currency loan {refer Note 6 and 8}		**1487.33**	1996.44
			6769.93	7279.04

Titan Industries Limited

Schedules forming part of Balance Sheet

₹ lakhs

" D " Fixed Assets

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 1-4-2010	Additions	Deductions	Cost as at 31-3-2011	As at 1-4-2010	For the year	Deductions	As at 31-3-2011	As at 31-3-2011	As at 31-3-2010
Land - freehold	228.07	-	0.88	227.19	-	-	-	-	227.19	228.07
Land - leasehold	526.60	-	-	526.60	-	-	-	-	526.60	526.60
Buildings	5885.57	904.61	26.79	6763.39	1919.46	184.03	4.48	2099.01	4664.38	3966.11
Plant, machinery and equipment	42554.90	2986.45	501.51	45039.84	26092.22	1808.72	366.81	27534.13	17505.71	16462.68
Furniture, fixtures and equipment	6134.75	1627.13	391.43	7370.45	3134.71	1001.82	286.58	3849.95	3520.50	3000.04
Vehicles	775.67	239.61	55.31	959.97	299.49	200.51	52.27	447.73	512.24	476.18
Intangible assets - Trade Marks	6327.11	-	-	6327.11	4723.71	253.17	-	4976.88	1350.23	1603.40
TOTAL	62432.67	5757.80	975.92	67214.55	36169.59	3448.25	710.14	38907.70	28306.85	
Previous year	59303.80	5334.88	2206.01	62432.67	31855.95	6008.01	1694.37	36169.59		26263.08
Capital work in progress {including advances for capital expenditure ₹ 271.35 lakhs (2010 : ₹ 173.72 lakhs)}									1935.63	1228.67
									30242.48	27491.75

₹ lakhs

	As at 31-3-2011		As at 31-3-2010
" E " Investments			
Trade investments (long term) - unquoted			
In subsidiary companies			
19,00,000 (2010 : 19,00,000) fully paid equity shares of ₹ 10 each in Titan TimeProducts Limited	237.70		237.70
3,35,020 (2010 : 3,35,020) fully paid equity shares of ₹ 10 each in Titan Properties Limited	33.59		33.59
19,31,319 (2010 : 19,31,319) fully paid equity shares of ₹ 10 each in Tanishq (India) Limited	382.08		382.08
		653.37	653.37
In non subsidiary companies			
5,25,000 (2010: 5,25,000) fully paid equity shares of ₹ 10 each in Innoviti Embedded Solutions Pvt. Limited	100.00		100.00
15,00,000 (2010: Nil) fully paid equity shares of ₹ 10 each in TVS Wind Power Limited (subscribed during the year) {refer Note 11}	150.00		-
		250.00	100.00
Carried forward		903.37	753.37

Schedules forming part of Balance Sheet

₹ lakhs

	As at 31-3-2011		As at 31-3-2010
Brought over		**903.37**	753.37
Non-Trade investments (long term) - quoted			
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Timex Watches Limited	**0.01**		0.01
1,000 (2010 : 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	**0.10**		0.10
2,025 (2010 : 2,025) fully paid equity shares of ₹ 10 each in Tata Steel Limited	**4.62**		4.62
600 (2010 : 600) fully paid equity shares of ₹ 10 each in Tata Global Beverages Limited	**2.34**		2.34
560 (2010 : 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	**1.40**		1.40
300 (2010 : 300) fully paid equity shares of ₹ 10 each in Trent Limited	**0.92**		0.92
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Alloys Limited	**0.02**		0.02
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Foods and Fashions Limited	**0.01**		0.01
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Biotech Limited	**0.02**		0.02
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Securities Limited	**0.01**		0.01
	9.45		9.45
Less : Provision for diminution	**0.06**		0.06
		9.39	9.39
Non-Trade investments (long term) - unquoted			
1,14,663 (2010: 1,14,663) fully paid equity shares of ₹ 50 each in The Central India Spinning and Weaving Mills Limited			
97,624 (2010: 97,624) fully paid equity shares of ₹ 25 each in Tata Mills Limited	**-**		-
400 (2010: 400) fully paid equity shares of ₹ 25 each in The Central India Press Limited	**-**		-
Others (long term) - quoted			
Nil (2010 : 25) fully paid secured non-convertible debentures of ₹ 500 each in Trent Limited (fully redeemed during the year)	**-**		0.13
		-	0.13
		912.76	762.89
Aggregate amount of quoted investments		**9.39**	9.52
Aggregate amount of unquoted investments		**903.37**	753.37
Market value of quoted investments		**24.10**	24.71

Titan Industries Limited

Schedules forming part of Balance Sheet

₹ lakhs

		As at 31-3-2011		As at 31-3-2010
" F "	**Current assets, loans and advances**			
	Inventories			
	Consumable stores		**456.55**	378.03
	Loose tools		**490.44**	392.26
	Raw materials and bought-out components		**36576.48**	21431.60
	Work in progress		**8694.11**	10897.68
	Finished goods		**153165.29**	100933.58
			199382.87	134033.15
	Sundry debtors (unsecured)			
	Over six months			
	Considered good	**359.87**		719.06
	Considered doubtful	**745.54**		759.35
		1105.41		1478.41
	Others - considered good	**11008.02**		8641.70
		12113.43		10120.11
	Less: Provision for doubtful debts	**745.54**		759.35
			11367.89	9360.76
	Cash and bank balances			
	Cash on hand	**519.04**		323.66
	Cheques on hand	**385.42**		415.20
	With scheduled banks - in current accounts *	**7277.56**		5426.49
	- in fixed deposits	**101300.00**		12500.00
	{*includes Funds in transit - ₹ 1555.28 lakhs (2010: ₹ 1357.92 lakhs)}			
	With non scheduled banks - in current accounts			
	Hongkong and Shanghai Banking Corporation Limited, Hongkong	**3.37**		3.67
	HSBC Bank, USA	**3.39**		2.81
	JP Morgan Chase Bank, N.A., USA	**-**		0.01
			109488.78	18671.84
	Maximum balance outstanding during the year			
	Hongkong and Shanghai Banking Corporation Limited, Hongkong - ₹ 11.11 lakhs (2010 : ₹ 9.63 lakhs)			
	HSBC Bank, USA - ₹ 3.64 lakhs (2010 : ₹ 286.98 lakhs)			
	JP Morgan Chase Bank,N.A., USA - ₹ 0.01 lakhs (2010 : ₹ 6.03 lakhs)			
	Loans and advances			
	(unsecured and considered good, unless otherwise stated)			
	Advances recoverable in cash or in kind or for value to be received			
	- from a subsidiary	**101.16**		3.14
	- from others			
	Considered good	**15309.39**		11447.16
	Considered doubtful	**2224.32**		5176.92
		17533.71		16624.08
	Tax payments, net of provision	**5218.75**		5176.69
	Balances with customs and excise authorities	**1370.93**		1678.55
		24224.55		23482.46
	Less: Provision for doubtful loans and advances	**2224.32**		5176.92
			22000.23	18305.54
			342239.77	180371.29

Schedules forming part of Balance Sheet

₹ lakhs

	As at 31-3-2011		As at 31-3-2010
" G " Current liabilities and provisions			
Current liabilities			
Sundry creditors			
Dues to micro enterprises and small enterprises	**86.54**		62.87
Others	**174526.34**		72154.34
	174612.88		72217.21
Unclaimed dividends	**159.28**		116.71
Advances from customers {refer Note 10}	**66826.18**		42293.28
Interest accrued but not due on loans	**328.98**		331.77
		241927.32	114958.97
Provisions			
Proposed dividend on equity shares	**11097.33**		6658.40
Tax on dividends	**1800.26**		1105.88
Retiring gratuities and pension	**2178.26**		1238.71
Leave salaries	**4337.08**		3255.19
Others {refer Note 3 (a)}	**2595.05**		1215.92
		22007.98	13474.10
		263935.30	128433.07

Schedules forming part of the Profit and Loss Account

₹ lakhs

" H " Other income	Current Year	Previous Year
Interest from staff loans, vendor advances and bank deposits - gross (tax deducted at source on interest ₹ 535.19 lakhs; 2010: ₹ 110.31 lakhs)	**5511.17**	1062.62
Dividends on long-term, Non-trade investments - Others	**1.14**	-
Profit on sale of investments	**-**	7.97
Miscellaneous income	**95.32**	115.26
	5607.63	1185.85

Titan Industries Limited

Schedules forming part of the Profit and Loss Account

₹ lakhs

		Current Year		Previous Year
" I " Operating and other expenses				
Raw materials and components consumed			**437118.58**	308744.05
Loose tools, stores and spare parts consumed			**8347.07**	6145.83
Purchase of finished goods			**84958.23**	41215.26
Salaries, wages and bonus			**33915.60**	23860.26
Company's contribution to provident and other funds			**1296.09**	1054.57
Welfare expenses			**2218.30**	1598.71
Gratuity			**1866.54**	935.09
Other expenses				
Power and fuel		**2128.72**		1746.57
Repairs to buildings		**178.21**		99.98
Repairs to plant and machinery		**858.32**		610.95
Advertising		**30326.93**		21114.74
Selling and distribution expenses		**7275.80**		4509.06
Insurance		**359.68**		323.86
Rent		**7481.84**		7322.54
Rates and taxes		**9120.02**		4328.40
Travel		**1888.43**		1301.47
Bad debts written off		**48.32**		-
Provision for doubtful debts / advances	**34.51**			64.05
Less : Provision for doubtful debts of earlier years written back	**48.32**			-
		(13.81)		64.05
Irrecoverable loans and advances written off	**2952.60**			471.48
Less : Provision for loans and advances created in earlier years	**2952.60**			471.48
		-		-
Loss on sale / disposal / scrapping of fixed assets (net)		**180.81**		324.15
Gold price hedging costs (net)		**114.34**		3928.57
General expenses		**13681.94**		9756.78
			73629.55	55431.12
Directors' fees			**14.63**	16.42
Commission to Non Whole-time Directors			**210.00**	115.00
Decrease/(Increase) in work in progress and finished goods				
Closing stocks				
Work in progress	**8694.11**			10897.68
Finished goods	**153165.29**			100933.58
		161859.40		111831.26
Opening stocks				
Work in progress	**10897.68**			7242.20
Finished goods	**100933.58**			93423.23
		111831.26		100665.43
			(50028.14)	(11165.83)
			593546.45	427950.48
Less : Expenses capitalised			**18.62**	4.05
			593527.83	427946.43

Schedules forming part of the Accounts

"J" Notes to the accounts

1. Accounting policies:

The financial statements have been prepared on an accrual basis under the historical cost convention in accordance with the accounting principles generally accepted in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and by the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956:

i. Revenue recognition: Revenue from sale of goods is recognised when the goods are despatched from the factory/stock points or delivered to customers as per the terms of the contract.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the Company's right to receive the payment is established.

ii. Fixed Assets: Fixed assets are capitalised at acquisition cost including directly attributable cost.

iii. Depreciation: Depreciation has been provided on the straight line method in accordance with the Companies Act, 1956, except for the following:

Computers	-	@ 25% instead of 16.21%
Vehicles	-	@ 25% instead of 9.50%
Furniture & Fixtures	-	@ 20% instead of 6.33%

iv. Amortisation: Trade marks are amortised over a period of 120 months from the month of acquisition. The expected pattern of economic benefits from the use of trademarks is reviewed periodically and additional amortisation, if required, is provided.

v. Foreign currency transactions: Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities (including those relating to integral foreign operations) are restated at year end rates or forward cover rates, as applicable. The net loss or gain arising on restatement/ settlement is adjusted to the Profit and Loss Account.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Profit and Loss Account of the reporting period in which the exchange rates change.

vi. Derivative Accounting: The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan. The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. All such derivative financial instruments are supported by an underlying transaction and are not for trading or speculative purposes.

The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in hedging reserve and the ineffective portion is recognised immediately in the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in hedging reserve is retained until the forecast transaction occurs upon which it is recognized in Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognized immediately to the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the Profit and Loss Account as they arise.

vii. Investments: All long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of investments.

viii. Transfer to debenture redemption reserve is made pro-rata over the life of the debentures in terms of the requirements of the Companies Act, 1956.

ix. Inventories: Inventories are valued at lower of cost and net realisable value. The cost of various categories of inventory is determined as follows:

a) Gold is valued on First-in-first-out basis.

b) Consumable stores, loose tools, raw materials and components are valued on a moving weighted average rate.

c) Work-in-progress and manufactured goods are valued on full absorption cost method based on the average cost of production.

d) Traded goods are valued on a moving weighted average rate/ cost of purchases.

x. Product warranty expenses: Product warranty costs are determined based on past experience and provided for in the year of sale.

xi. Employee Benefits:

Short term employee benefits

All short term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the Profit and Loss Account.

Defined Contribution plan

Company's contributions to the Superannuation Fund which is a self managed Fund and Pension Fund administered by Regional Provident Fund Commissioner are debited to the Profit and Loss Account on an accrual basis.

Defined Benefit Plan

Contribution to the Company's Gratuity Trust, liability towards pension of retired Managing Director and provision towards leave salary benefit is provided on the basis of an actuarial valuation using the projected unit credit method and is debited to the Profit and Loss Account on an accrual basis. Actuarial gains and losses arising during the year are recognised in the Profit and Loss Account.

Contribution to the Company's Provident Fund Trust is made at predetermined rates and debited to the Profit and Loss Account on an accrual basis.

Schedules forming part of the Accounts

xii. Taxes on Income: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

xiii. Segment accounting: Segments are identified based on the types of products and the internal organisation and management structure. The Company has identified business segment as its primary reporting segment with secondary information reported geographically.

The Company's primary segments consist of Watch, Jewellery and Others, where 'Others' include Eye wear, Precision Engineering, Machine Building and Clocks.

Corporate (unallocated) represents other income and expenses which relate to the enterprise as a whole and are not allocated to segments.

xiv. Impairment of assets: Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an impairment loss is recognised when the carrying amount exceeds greater of net selling price and value in use.

xv. Use of estimates: The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements.

xvi. Provisions and Contingencies: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3500.99 lakhs (2010: ₹ 1867.53 lakhs).

3. (a) Provisions – Others include :

(i) Provision for warranty - ₹ 264.88 lakhs (2010: ₹ 228.48 lakhs).

The Company gives warranty on all products except jewellery, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows and determined based on past experience. No reimbursements are expected. Provision made and utilised/reversed during the year is ₹ 264.88 lakhs (2010: ₹ 228.48 lakhs) and ₹ 228.48 lakhs (2010: ₹ 239.98 lakhs) respectively.

(ii) Provision for Customer Loyalty programmes - ₹ 2330.17 lakhs (2010: ₹ 987.44 lakhs).

The Company has schemes of reward points on purchase of certain products by customers which can be redeemed at the time of future purchases. Provision is made based on past experience. Additional provision made and utilised/reversed during the year is ₹ 3311.74 lakhs (2010: ₹ 1150.15 lakhs) and ₹ 1969.01 lakhs (2010: ₹ 643.70 lakhs) respectively.

Schedules forming part of the Accounts

(b) Contingent liabilities not provided for – ₹ 5805.51 lakhs (2010: ₹ 5351.17 lakhs) comprising of the following:

Sales Tax - ₹ 412.72 lakhs (2010: ₹ 307.30 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Customs Duty - ₹ 316.94 lakhs (2010: ₹ 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)

Excise Duty - ₹ 3331.58 lakhs (2010: ₹ 3397.79 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax)

Income Tax - ₹ 1289.78 lakhs (2010: ₹ 1238.60 lakhs)
(relating to disallowance of deductions claimed)

Others - ₹ 454.49 lakhs (2010: ₹ 90.54 lakhs)
(relating to miscellaneous claims)

The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

4. The Company had received show cause notices from the Excise authorities aggregating to ₹ 6391.14 lakhs without quantifying interest and penalty, towards excise duty on jewellery despatches. The Company had been legally advised that the notice is not sustainable.

5. The 6.75% debentures are redeemable at par at the end of five years from the dates of allotment on 12 May 2006 and 9 June 2006 and are secured by way of legal mortgage on the immovable properties and plant and machinery situated at Hosur.

6. Foreign currency loan from a bank of ₹ 1487.33 lakhs (2010: ₹ 1996.44 lakhs) is secured by a first charge over the Company's present and future fixed (movable and immovable) assets.

7. Non-fund based facilities availed of ₹ 25801.32 lakhs (2010: ₹ 25963.71 lakhs) from banks are secured by a first charge by way of hypothecation of current assets including book debts and inventories, both present and future.

8. The security covered under notes 5 and 6 above rank pari passu. The security covered under note 7 rank pari passu with the security for the cash credit facility, which is secured by hypothecation of book debts, inventories, stores and spares both present and future.

9. a) Dues to micro enterprises and small enterprises to whom the Company owes any sum, comprises of the following:

₹ in lakhs

		2011	2010
a)	Principal amounts unpaid	**86.54**	62.87
	Interest due on above	-	-
		86.54	62.87

b) No interest payments have been made during the year.

b) The above information and that given in "Current Liabilities" in Schedule G regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Schedules forming part of the Accounts

10. Advances from customers shown under current liabilities and provisions include advances received of ₹ 58779.77 lakhs (2010: ₹ 33540.50 lakhs) towards sale of jewellery products under various sale initiatives / retail customer programmes.

11. The Company has given an undertaking not to sell or encumber in any manner its investments in TVS Wind Power Ltd in accordance with the Equity Participation agreement.

12. Exchange gain (net) included in the Profit and Loss Account is ₹ 254.67 lakhs (2010: loss - ₹ 104.20 lakhs).

13. Auditors remuneration comprises of fees for audit of statutory accounts ₹ 85.00 lakhs (2010: ₹ 85.00 lakhs), taxation matters ₹ 24.77 lakhs (2010: ₹ 41.41 lakhs), audit of consolidated accounts ₹ 7.00 lakhs (2010: ₹ 7.00 lakhs), other services ₹ 21.90 lakhs (2010: ₹ 22.30 lakhs) and reimbursement of levies and expenses ₹ 19.13 lakhs (2010: ₹ 5.19 lakhs).

14. Excise duty of ₹ 4996.87 lakhs (2010: ₹ 2870.13 lakhs) reduced from gross sales in the Profit and Loss Account represents excise duty on sale of products.

15. Rates and taxes include the following :

    i) ₹ 1763.99 lakhs (2010: ₹ (-) 360.13 lakhs) being the difference in excise duty included in closing stock and opening stock of finished goods.

    ii) ₹ 3650.94 lakhs (2010: ₹ 2217.80 lakhs) being the excise duty paid on watch components transferred from Hosur factory to Dehradun, Baddi, Roorkee and Pantnagar factories.

16. Interest on fixed loans amount to ₹ 522.24 lakhs (2010: ₹ 1151.20 lakhs).

17. The Directors' remuneration of ₹ 511.45 lakhs (2010: ₹ 318.13 lakhs), excluding provision for encashable leave and gratuity as separate actuarial valuation is not available, comprises of payments to the Managing Director which is inclusive of contribution to provident and other funds ₹ 11.02 lakhs (2010: ₹ 9.56 lakhs), perquisites ₹ 55.43 lakhs (2010: ₹ 48.17 lakhs), leave encashment paid ₹ 44.20 lakhs (2010- Nil), commission of ₹ 150.00 lakhs (2010: ₹ 110.00 lakhs) and commission to non whole-time directors of ₹ 210.00 lakhs (2010: ₹ 115.00 lakhs).

    Computation of net profit under Section 309(5) of the Companies Act, 1956 is as under:

₹ in lakhs

	2011	2010
Profit before taxes as per Profit and Loss Account	**59900.09**	32131.70
Add: Directors' remuneration	**511.45**	318.13
Directors' fees	**14.63**	16.42
Depreciation /amortisation provided in the accounts for the current year	**3448.25**	6008.01
Loss on sale/ disposal/ scrapping of fixed assets as per books (net)	**180.81**	324.15
Provision for doubtful debts/advances	**34.51**	64.05
Loss / (profit) on sale of investments (net)	**-**	(7.97)
	64089.74	38854.49
Less: Depreciation as per Section 350 of the Companies Act, 1956 for the current year	**2677.15**	5320.36
Loss on sale/ disposal/ scrapping of fixed assets as per Section 350 of the Companies Act, 1956 (net)	**320.30**	380.78
Net profit	**61092.29**	33153.35
Restricted to		
5% of net profit for whole-time directors	**3054.61**	1657.67
1% of net profits for non whole-time directors	**610.92**	331.53

Schedules forming part of the Accounts

18. The provisions of Industries (Development and Regulation) Act, 1951, relating to licensed capacity are not applicable to the Company. The installed capacity is 15 million watches (2010: 14 million watches), 0.32 million jewellery pieces (2010: 0.32 million jewellery pieces), 0.30 million clocks (2010: 0.30 million clocks) and 0.3 million eyewear products (2010: 0.3 million eyewear products). The installed capacities are as certified by the Management and relied upon by the auditors without verification, being a technical matter.

19. The Company produced 1,08,53,045 watches (2010: 87,04,422 watches) sold 1,05,22,778 watches - ₹ 94178.74 lakhs (2010: 93,45,356 watches - ₹ 80352.96 lakhs) and had a closing stock of 12,72,315 watches - ₹ 9393.82 lakhs (2010: 9,42,048 watches - ₹ 6937.46 lakhs, 2009: 15,82,982 watches - ₹ 10318.94 lakhs).

20. The Company produced 30,957 clocks (2010: 22,775 clocks) sold 30,158 clocks - ₹ 248 lakhs (2010: 24,475 clocks - ₹ 202.26 lakhs) and had a closing stock of 2,297 clocks - Nil (2010: 1,498 clocks - Nil, 2009: 3,198 clocks - Nil).

21. The Company produced 15,10,040 jewellery pieces (2010: 13,33,198 jewellery pieces), purchased 1,56,229 jewellery pieces - ₹ 60710.93 lakhs (2010: 94,805 jewellery pieces - ₹ 28871.26 lakhs), sold 15,51,794 jewellery pieces - ₹ 418500.72 lakhs (2010: 14,21,645 jewellery pieces - ₹ 295518.39 lakhs) and had a closing stock of 4,96,465 jewellery pieces - ₹ 127907.46 lakhs (2010: 3,81,990 jewellery pieces - ₹ 85981.90 lakhs, 2009: 3,75,632 jewellery pieces - ₹ 75808.74 lakhs).

22. The Company produced 7,54,384 coins (2010: 6,40,411 coins), sold 7,21,560 coins - ₹ 78117.41 lakhs (2010: 6,69,746 coins - ₹ 53621.00 lakhs) and had a closing stock of 95,302 coins - ₹ 4790.14 lakhs (2010: 62,478 coins - ₹ 2906.33 lakhs, 2009: 91,813 coins - ₹ 1843.45 lakhs)

23. The Company produced 1,36,037 eyewear products (2010: 23,535 eyewear products) sold 1,39,623 eyewear products - ₹ 1295.13 lakhs (2010: 14,542 eyewear products - ₹ 93.11 lakhs) and had a closing stock of 5,407 eyewear products - ₹ 6.65 lakhs (2010: 8,993 eyewear products - ₹ 14.01 lakhs , 2009: Nil)

24. The Company produced 106 machines (2010: 60 machines), capitalised 1 machine (2010: 1 machine), and sold 105 machines - ₹ 4141.22 lakhs (2010: 59 machines - ₹ 2592.54 lakhs), and had a closing stock of Nil (2010: Nil machine - ₹ Nil; 2009: Nil machine - ₹ Nil).

25. The Company purchased 34,31,384 watches - ₹ 16187.75 lakhs (2010: 15,73,886 watches - ₹ 7873.36 lakhs), sold 30,74,880 watches - ₹ 29575.08 lakhs (2010: 16,90,916 watches - ₹ 18681.83 lakhs) and had a closing stock of 738,586 watches - ₹ 7094.36 lakhs (2010: 3,82,082 watches - ₹ 3471.28 lakhs , 2009: 4,99,112 watches - ₹ 4310.18 lakhs).

26. The Company purchased Nil clocks (2010: Nil clocks), sold 786 clocks - Nil (2010: 271 clocks - Nil) and had a closing stock of 55 clocks - Nil (2010: 841 clocks - Nil, 2009: 1112 clocks - Nil).

27. The Company purchased 31,01,204 eyewear products - ₹ 6392.72 lakhs (2010: 16,34,029 eyewear products - ₹ 4252.17 lakhs), sold 25,18,750 eyewear products - ₹ 14371.07 lakhs (2010: 14,80,614 eyewear products - ₹ 9536.07 lakhs) and had a closing stock of 10,10,367 eyewear products - ₹ 2571.01 lakhs (2010: 4,27,913 eyewear products - ₹ 1223.78 lakhs, 2009: 2,74,498 eyewear products - ₹ 947.15 lakhs).

    Eyewear products include sunglasses, frames, ready readers and lenses.

28. Sales includes sale of scrap ₹ 521.29 lakhs (2010: ₹ 591.98 lakhs), sale of accessories ₹ 10223.62 lakhs (2010: ₹ 7870.00 lakhs), sale of tools and components ₹ 1246.12 lakhs (2010; ₹ 715.83 lakhs), sale of gold ₹ 1168.05 lakhs (2010: ₹ 788.09 lakhs), sale of precious and semi-precious stones ₹ 3230.80 lakhs (2010: ₹ 2625.95 lakhs), income from services provided ₹ 269.41 lakhs (2010: ₹ 246.83 lakhs) and is net of turnover based commission of ₹ 13313.28 lakhs (2010: ₹ 9553.38 lakhs) and all discounts, including cash discount of ₹ 772.26 lakhs (2010: ₹ 644.17 lakhs).

Schedules forming part of the Accounts

29. Analysis of raw materials and components consumed:

₹ in lakhs

	2011	2010
Precious metals - Gold (2011: 17934.65 Kgs.); (2010: 15698 Kgs.)*	**369239.50**	260336.77
- Others	**1013.07**	624.26
Brass	**1237.18**	1077.52
Steel	**754.03**	586.78
Components	**34533.09**	26245.29
Precious and semi-precious stones **	**28572.69**	18695.84
Sundry charges	**1769.02**	1177.59
	437118.58	308744.05

Except for gold consumption, quantity details have not been disclosed, as the items consumed under each head are dissimilar in nature / type / size and unit of measurement.

* Includes 55.88 Kgs (2010: 49 Kgs) of gold sold costing ₹ 1027.45 lakhs (2010: ₹ 719.28 lakhs)
** Includes precious and semi-precious stones sold costing ₹ 2603.69 lakhs (2010: ₹ 2114.90 lakhs)

30. Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption:

	2011		2010	
	₹ in lakhs	%	₹ in lakhs	%
Imported CIF Value	**302558.08**	**69**	200723.44	65
Customs duties	**5801.26**	**1**	3513.60	1
	308359.34	**70**	204237.04	66
Indigenous	**128759.24**	**30**	104507.01	34
	437118.58	**100**	308744.05	100

31. Analysis of imports on CIF basis:

₹ in lakhs

	2011	2010
Raw materials and components	**292588.44**	198163.51
Stores and spares	**581.71**	887.94
Capital goods	**412.57**	1156.85
	293582.72	200208.30

32. Expenditure in foreign currency (on payment basis) on account of:

₹ in lakhs

	2011	2010
Royalty	**298.33**	291.51
Professional and consultancy services	**508.88**	67.79
Interest	**169.58**	271.50
Others	**2357.02**	1466.63

Schedules forming part of the Accounts

33. Amount remitted by the Company in foreign currency on account of dividends:

		2011	2010
(i)	Number of Shareholders	**4**	4
(ii)	Number of equity shares on which dividend was paid	**17,456**	17,456
(iii)	Year to which the dividend related	**2009-10**	2008-09
(iv)	Amount remitted (net of tax) (₹ in lakhs)	**2.62**	1.75

34. Earnings in foreign exchange:

₹ in lakhs

	2011	2010
Export of goods on FOB basis	**12689.90**	10061.30
Others	**25.04**	93.76

35. Revenue expenditure directly attributable to research and development is estimated at ₹ 301.69 lakhs (2010: ₹ 257.01 lakhs).

36. (a) The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

₹ in lakhs

	2011	2010
For a period not later than one year	**3795.56**	3886.71
For a period later than one year but not later than five years	**3239.87**	2611.68
For a period later than five years	**-**	-
Total	**7035.43**	6498.39

(b) The Company has taken the above operating leases for non-cancellable periods ranging from 1 year to 6 years. The leases are renewable by mutual consent.

(c) Lease rentals recognised in the statement of Profit and Loss Account in respect of the above operating leases is ₹ 4101.83 lakhs (2010: ₹ 3810.33 lakhs).

37. Current liabilities do not include any amount to be credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 1.39 lakhs (2010: ₹ 1.30 lakhs) and therefore, amounts relating to the same could not be transferred.

38. Employee Benefits

a. Defined Contribution Plans

The contributions recognized in the Profit and Loss Account during the year are as under:

₹ in lakhs

Defined Contribution Plan	2011	2010
Superannuation Fund	**268.00**	229.91
Employee Pension Fund (EPF)	**273.56**	252.86
Total	**541.56**	482.77

Schedules forming part of the Accounts

b. Defined Benefit Plans

(i) Funded

(a) Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such shortfall as an expense. There is no shortfall in the interest payable by the Trust to the beneficiaries as on the Balance Sheet date.

(b) The Company makes annual contributions to the Titan Industries Gratuity Fund. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The following table sets out the funded status and amounts recognised in the Company's financial statements as at 31 March 2011 for Gratuity:

₹ in lakhs

			2011	2010
I	Net Asset / (Liability) recognised in the Balance Sheet			
	1	Present value of funded obligations	**7292.47**	5126.23
	2	Fair Value of Plan Assets	**(5425.93)**	(4191.14)
	3	(Deficit) / surplus	**(1866.54)**	(935.09)
	4	Net Asset / Liability		
		- Assets		
		- Liabilities	**1866.54**	935.09
II	Expense recognized in the Profit and Loss Account			
	1	Current Service Cost	**373.63**	303.97
	2	Interest Cost	**452.67**	337.43
	3	Expected Return on Plan Assets	**(327.18)**	(279.00)
	4	Actuarial Losses/(Gains)	**1364.12**	572.69
	5	Past Service Cost	**3.30**	-
		Total expenses recognised in Schedule – 'I'	**1866.54**	935.09
III	Change in present value of obligation			
	1	Present value of Defined Benefit Obligation at the beginning of the year	**5126.23**	4039.92
	2	Current Service Cost	**373.63**	303.97
	3	Interest Cost	**452.67**	337.43
	4	Actuarial Losses/(Gains)	**1392.32**	582.47
	5	Past Service Cost	**3.30**	-
	6	Benefits Paid	**(55.68)**	(137.56)
	7	Present value of Defined Benefit Obligation at the end of the year	**7292.47**	5126.23

Schedules forming part of the Accounts

₹ in lakhs

			2011	2010
IV	Change in fair value of Plan assets			
	1	Fair value of plan assets at the beginning of the year	**4191.14**	3569.57
	2	Expected Return on Plan assets	**327.19**	279.00
	3	Actuarial Losses/(Gains)	**28.20**	9.78
	4	Assets distributed on settlement	**-**	-
	5	Contributions by employer	**935.08**	470.35
	6	Benefits Paid	**(55.68)**	(137.56)
	7	Fair value of plan assets at the end of the year	**5425.93**	4191.14
		Actual Return on Plan assets	**355.39**	288.78
V	The major categories of Plan Assets as a percentage of total Plan Assets			
	1	Government of India Securities	**45%**	45%
	2	Corporate bonds	**51%**	50%
	3	Others	**4%**	5%

₹ in lakhs

VI	Experience Adjustments					
		2011	2010	2009	2008	2007
	Defined Benefit Obligation	**7292.47**	5126.23	4039.92	3387.36	2812.99
	Plan Assets	**5425.93**	4191.14	3569.57	2877.94	2225.79
	Surplus/(Deficit)	**(1866.54)**	(935.09)	(470.35)	(509.42)	(587.20)
	Experience adjustments on Plan Liabilities	**501.56**	184.56	225.18	185.42	344.31
	Experience adjustments on Plan Assets	**28.20**	9.78	82.95	4.29	(106.85)
VII	Principal actuarial assumptions					
	Discount Rate	**8.35% p.a**	8.35% p.a.			
	Expected Rate of Return on Plan Assets	**7.50% p.a**	7.50% p.a.			
VIII	The employees are assumed to retire at the age of 58 or 60 years.					
IX	The mortality rates considered are as per the published rates in the LIC (1994-96) mortality tables.					

Expected rate of return on plan assets is based on average yield on investments. The Company is expected to contribute ₹ 600.00 lakhs to the gratuity fund for the year ending 31 March 2012.

Schedules forming part of the Accounts

(ii) Unfunded

The Long term benefits which are provided for but not funded are as under:

₹ in lakhs

	Liability as on 31 March 2011	Liability as on 31 March 2010
Compensated absences / Leave salary	**4337.08**	3255.19
Pension	**311.72**	303.62

The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

39. a) Gold futures/forwards contracts outstanding as at the year end - 26 kgs, ₹ 547.51 lakhs (2010: 390 Kgs, ₹ 6410.04 lakhs)

b) The Company has an outstanding swap to hedge its foreign currency and interest rate exposures relating to foreign currency loan of US Dollars 3.33 million (2010: US Dollars 4.44 million) equivalent to ₹ 1487.33 lakhs (2010: ₹ 1996.44 lakhs).

The Company has twelve forward exchange contracts outstanding for US Dollars 1.75 million equivalent to ₹ 779.68 lakhs (2010: 2 forward exchange contracts for US Dollars 1.8 million; equivalent to ₹ 808.20 lakhs), one forward exchange contract for Euros 0.09 million equivalent to ₹ 53.98 lakhs (2010: one forward exchange contract for Euros 0.06 million equivalent to ₹ 36.87 lakhs) and three forward exchange contracts for HKD 1.8 million equivalent to ₹ 102.98 lakhs (2010: Nil) to hedge foreign currency risk of firm commitment of sales. Further, the Company also has sixteen forward exchange contracts for US Dollars 22.83 million equivalent to ₹ 10185.30 lakhs (2010: Nil), nil forward exchange contracts for HKD (2010: one forward exchange contract for HKD 13.60 million equivalent to ₹ 822.80 lakhs) and one forward exchange contract for in Swiss Francs 0.13 million equivalent to ₹ 61.41 lakhs (2010: Nil) for firm commitment of purchases.

Marked to Market loss of ₹ 118.08 lakhs (2010: ₹ 219.42 lakhs) has been recognised in the Profit and Loss Account on these outstanding contracts.

c) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31 March 2011 are given below:

i Amounts receivable in foreign currency as at 31 March 2011
(Previous year figures are in brackets)

Amount in lakhs

Nature of receivables	₹	**Foreign currency**
Export of goods		
USD	**2087.15** (1005.23)	**46.83** (22.39)
GBP	**18.45** (55.84)	**0.26** (0.82)
HKD	**176.24** (91.08)	**30.77** (15.44)
EURO	**97.86** (-)	**1.55** (-)

Schedules forming part of the Accounts

ii Amounts payable in foreign currency as at 31 March 2011
(Previous year figures are in brackets)

Amount in lakhs

Nature of payables	₹	**Foreign currency**
Import of goods and services		
USD	**471.12** (123.20)	**10.56** (2.74)
EURO	**60.91** (20.48)	**0.96** (0.34)
HKD	**376.89** (-)	**65.73** (-)
CHF	**121.08** (132.46)	**2.48** (3.13)
JPY	**7.36** (69.24)	**13.67** (143.65)
GBP	**5.03** (1.30)	**0.07** (0.02)
SEK	**4.89** (6.46)	**0.68** (1.03)
SGD	**2.43** (-)	**0.07** (-)

40. The details of deferred tax asset/(liability) are as under:

₹ in lakhs

	As at 31 March 2010	**Tax effect for the year**	**As at 31 March 2011**
Deferred Tax (Liability)			
Depreciation	(2268.82)	**(80.88)**	**(2349.70)**
Sub Total	(2268.82)	**(80.88)**	**(2349.70)**
Deferred Tax Asset			
Provision for doubtful debts	252.24	**(10.35)**	**241.89**
Employee benefits	1010.23	**327.53**	**1337.76**
Others	530.86	**87.37**	**618.23**
Sub Total	1793.33	**404.55**	**2197.88**
Net Deferred Tax Asset / (Liability)	(475.49)	**323.67**	**(151.82)**

Schedules forming part of the Accounts

41. Related party disclosures :

Names of related parties and description of relationship:

a) Promoters : Tamilnadu Industrial Development Corporation Ltd.
Tata Sons Ltd.

b) Subsidiaries : Titan TimeProducts Ltd.
Tanishq (India) Ltd.
Titan Properties Ltd.
Titan Mechatronics Ltd. (up to 30 March 2010)

c) Associate : TVS Wind Power Ltd. (from 22 March 2011)

d) Key Management Personnel : Mr. Bhaskar Bhat, Managing Director

Transactions with the related parties during the year are set out in the table below:
(Previous year figures are in brackets)

₹ in lakhs

Sl. No	Nature of transaction	Promoters	Subsidiaries	Key Management Personnel	Associate	Total
1	Purchase of components and finished goods	- (-)	**1497.61** (1143.06)	- (-)	- (-)	**1497.61** (1143.06)
2	Sale of components, finished goods and fixed assets	- (2.65)	**42.05** (33.64)	**0.31** (-)	- (-)	**42.36** (36.29)
3	Reimbursement of expenses	**5.15** (-)	- (-)	- (-)	- (-)	**5.15** (-)
4	Interest expense	**37.34** (37.34)	**1.19** (3.18)	- (-)	- (-)	**38.53** (40.52)
5	Rent paid	**41.36** (49.64)	- (-)	- (-)	- (-)	**41.36** (49.64)
6	Dividend paid	**2568.31** (1631.12)	- (-)	- (-)	- (-)	**2568.31** (1631.12)
7	Commission and sitting fees to non whole-time directors	**58.99** (28.74)	- (-)	- (-)	- (-)	**58.99** (28.74)
8	Intercorporate deposits repaid	- (-)	- (865.00)	- (-)	- (-)	- (865.00)
9	Brand equity subscription	**1065.30** (664.77)	- (-)	- (-)	- (-)	**1065.30** (664.77)
10	Recovery of expenses	- (-)	**16.39** (14.05)	- (-)	- (-)	**16.39** (14.05)
11	Payment towards rendering of services	**55.33** (33.04)	- (-)	- (-)	- (-)	**55.33** (33.04)
12	Recovery towards rendering of services	- (-)	**83.66** (61.80)	- (-)	- (-)	**83.66** (61.80)
13	Managerial remuneration	- (-)	- (-)	**301.45** (203.13)	- (-)	**301.45** (203.13)
14	Purchase of investments	- (-)	- (0.40)	- (-)	- (-)	- (0.40)
15	Subscription to Share Capital	- (-)	- (-)	- (-)	**150.00** (-)	**150.00** (-)

Schedules forming part of the Accounts

The above includes the following material related party transactions:-

(Previous year figures are in brackets)

₹ in lakhs

Nature of transaction	Category	Name	Amount
(a) Purchase of components and finished goods	Subsidiary	Titan TimeProducts Ltd.	**1497.61** (1143.06)
(b) Dividend paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	**1856.08** (1237.38)
		Tata Sons Ltd.	**712.23** (393.74)
(c) Intercorporate deposits repaid	Subsidiary	Titan Properties Ltd.	- (290.00)
		Tanishq (India) Ltd.	- (575.00)
(d) Brand equity subscription	Promoters	Tata Sons Ltd.	**1065.30** (664.77)

Balance as on Balance Sheet date

(Previous year figures are in brackets)

₹ in lakhs

	Promoters	Subsidiaries	Key Management Personnel	Total
Debit balance				
Titan Time Products Ltd.	**-** (-)	**101.93** (4.56)	**-** (-)	**101.93** (4.56)
Total Debit Balance	**-** (-)	**101.93** (4.56)	**-** (-)	**101.93** (4.56)
Credit balance				
Tata Sons Ltd.	**624.15** (327.78)	**-** (-)	**-** (-)	**624.15** (327.78)
Tamilnadu Industrial Development Corporation Ltd.	**55.66** (25.14)	**-** (-)	**-** (-)	**55.66** (25.14)
Key Management Personnel	**-** (-)	**-** (-)	**154.97** (114.32)	**154.97** (114.32)
Total Credit balance	**679.81** (352.92)	**-** (-)	**154.97** (114.32)	**834.78** (467.24)

Schedules forming part of the Accounts

42. Earnings per share :

The following table sets forth the computation of basic and diluted earnings per share:

			2011	2010
Net Profit (₹ in lakhs)			**43041.50**	25032.36
a)	Weighted average number of equity shares		**4,43,89,308**	4,43,89,308
b)	i)	Nominal value of shares (₹)	**10**	10
	ii)	Earnings per share - Basic and diluted (₹)	**96.96**	56.39

43. A Petition has been filed by the Company's subsidiary Tanishq (India) Limited as the Transferor Company, seeking sanction to the Scheme of Amalgamation with the Company on the appointed date i.e. 1 April 2010. No shares of the Company are to be issued pursuant to the Scheme. Based on the application made under section 391 of the Companies Act, 1956, the Karnataka High Court having jurisdiction over the Transferor Company has granted dispensation of the meetings of shareholders and creditors of the Transferor Company. Final order sanctioning the said scheme of Amalgamation as aforesaid is awaited.

44. Segment information for the year ended 31 March 2011

a) Primary Business Segments

(Previous year figures are in brackets)

₹ in lakhs

	Watches	**Jewellery**	**Others**	**Corporate (Unallocated)**	**Total**
Revenue					
Net sales/income	**126516**	**501202**	**24372**	**-**	**652090**
(There is no inter-segment revenue)	(102534)	(349747)	(15161)	(-)	(467442)
Segment Result					
Before interest, other income and taxes	**18493**	**41388**	**-1820**	**-2948**	**55113**
	(14329)	(24796)	(-3904)	(-1733)	(33488)
Add : Other Income	**130**	**1522**	**14**	**3942**	**5608**
	(144)	(672)	(15)	(355)	(1186)
Profit before interest and taxes	**18623**	**42910**	**-1806**	**994**	**60721**
	(14473)	(25468)	(-3889)	(-1378)	(34674)
Less : Interest (net)					**821**
					(2542)
Profit before taxes					**59900**
					(32132)
Taxes					**16858**
					(7100)
Profit after taxes					**43042**
					(25032)

Schedules forming part of the Accounts

₹ in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Other Information					
Segment Assets	**59960**	**182410**	**18514**	**112511**	**373395**
	(48249)	(126185)	(12952)	(21240)	(208626)
Segment Liabilities	**31926**	**211168**	**6992**	**13849**	**263935**
	(25540)	(89005)	(5150)	(8738)	(128433)
Capital expenditure	**2599**	**1910**	**1956**	**-**	**6465**
	(2063)	(826)	(1722)	(-)	(4611)
Depreciation/ amortisation	**1569**	**1049**	**769**	**62**	**3449**
	(3657)	(1630)	(668)	(53)	(6008)
Non cash expenses other than depreciation/ amortisation	**-**	**579**	**-**	**162**	**741**
	(127)	(-)	(33)	(224)	(384)

Total unallocable liabilities exclude

₹ in lakhs

	2011	2010
Secured loans	**6770**	7279
Deferred tax liability (Net)	**152**	475

b) Secondary Geographical Segments

(Previous year figures are in brackets)

₹ in lakhs

	India	Others	Total
Revenue	**639325**	**12765**	**652090**
	(457237)	(10205)	(467442)

The operating facilities of the Company are commonly employed for both the domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segments.

Details of secondary geographical segments for individual markets outside India are not disclosed as the same do not account for more than 10% of the total segment revenues or results or assets.

45. The figures of the previous year have been regrouped/recast, where necessary, to conform to the current year classification.

Signature to Schedule "A" to "J"
For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Mumbai, 29 April 2011

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile:

I. REGISTRATION DETAILS

REGISTRATION NO.	18-001456	STATE CODE	18
BALANCE SHEET DATE	31-03-2011		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

PUBLIC ISSUE	NIL	RIGHTS ISSUE	NIL
BONUS ISSUE	NIL	PREFERENTIAL ALLOTMENT	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

TOTAL LIABILITIES	37339501	TOTAL ASSETS	37339501

SOURCE OF FUNDS

PAID-UP CAPITAL	443893	RESERVES & SURPLUS	9809903
DEFERRED TAX LIABILITY	15182	SECURED LOANS	676993
UNSECURED LOANS	NIL		

APPLICATION OF FUNDS

NET FIXED ASSETS	3024248	INVESTMENTS	91276
NET CURRENT ASSETS	7830447	MISC. EXPENDITURE	NIL
ACCUMULATED LOSSES	NIL		

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

TURNOVER	65708638	TOTAL EXPENDITURE	59779705
+ ✓ - PROFIT/LOSS BEFORE TAX	5990009	+ ✓ - PROFIT/LOSS AFTER TAX	4304150
EARNING PER SHARE IN Rs.	96.96	DIVIDEND RATE %	250

V. GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS OF THE COMPANY

Item Code No. (ITC Code)	91.02	Product Description	WATCHES
Item Code No. (ITC Code)	91.03	Product Description	CLOCKS
Item Code No. (ITC Code)	71.13	Product Description	JEWELLERY

Signature to Schedule "A" to "J"
For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
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R Poornalingam
Hema Ravichandar
Directors

Mumbai, 29 April 2011

Titan Industries Limited

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

1	Name of Subsidiary		Titan Time Products Ltd	Titan Properties Ltd	Tanishq (India) Ltd
2	Financial year of the Subsidiary		31st March 2011	31st March 2011	31st March 2011
3	Share of the Subsidiary held by Titan Industries Limited on the above date :				
	a)	Number of shares and face value	1,900,000 equity shares of ₹ 10 each (fully paid up)	335,020 equity shares of ₹ 10 each (fully paid up)	1,931,319 equity shares of ₹ 10 each (fully paid up)
	b)	Extent of Holding	100%	100%	100%
4	Net aggregate amount of profit/(loss) of the Subsidiary so far as they concern the members of Titan Industries Limited				
	a)	Dealt with in the accounts of Titan Industries Limited for the year ended 31st March 2010	Nil	Nil	Nil
	b)	Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March 2011	₹ 7,261,559	₹ 17,031,524	₹ 2,984,224
5	Net aggregate amount of profit/(loss) for previous financial years of the Subsidiary since it became a subsidiary so far as they concern the members of Titan Industries Limited				
	a)	Dealt with in the accounts of Titan Industries Limited for the year ended 31st March 2011	Nil	Nil	Nil
	b)	Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March 2011	₹ 35,210,155	₹ 39,014,022	₹ 43,178,200

For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Mumbai, 29 April 2011

STATEMENT PURSUANT TO EXEMPTION GRANTED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2011

Amount ₹

Name of Subsidiary	Titan TimeProducts Ltd	Titan Properties Ltd	Tanishq (India) Ltd
(a) Share Capital	1,90,00,000	33,50,200	1,93,13,190
(b) Reserves	4,83,24,258	5,58,70,218	6,80,64,024
(c) Total Assets	13,04,73,100	8,02,16,842	8,74,34,789
(d) Total Liabilities	6,31,48,842	2,09,96,424	57,575
(e) Income	22,90,53,736	5,41,45,915	51,90,533
(f) Profit before tax	1,15,98,330	2,55,03,524	48,74,916
(g) Taxes	43,36,771	84,72,000	18,90,692
(h) Profit after tax	72,61,559	1,70,31,524	29,84,224
(i) Proposed Dividend	Nil	Nil	Nil

For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Mumbai, 29 April 2011

TITAN INDUSTRIES

Titan Industries Limited

FINANCIAL STATISTICS

FINANCIAL YEAR

₹ crores

BALANCE SHEET	1987-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	**2010-11**
Share Capital - Equity	23.95	23.96	26.84	26.84	26.84	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	44.39	44.39	44.39	44.39	**44.39**
Share Capital - Preference	-	-	-	-	-	-	-	7.50	10.00	33.00	37.50	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	-	-	-	-	**-**
Reserves and Surplus	0.21	1.38	2.11	6.42	12.15	77.82	86.34	98.74	111.46	117.25	115.73	116.07	118.56	125.09	82.42	80.19	82.85	94.97	150.30	283.06	391.78	506.85	679.99	**980.99**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44.58	41.59	35.14	29.32	23.75	17.44	24.71	18.18	4.75	**1.52**
Loans	37.76	42.45	57.86	66.52	75.46	114.43	151.15	191.63	303.34	368.14	381.80	395.48	409.92	422.01	443.28	467.05	406.71	318.02	267.92	247.01	257.89	175.41	72.79	**67.70**
SOURCES OF FUNDS - Total	61.92	67.79	86.81	99.78	114.45	234.53	279.77	340.15	467.08	560.67	577.31	593.83	610.76	629.38	652.56	671.11	606.98	524.59	524.25	591.89	718.77	744.83	801.93	**1,094.60**
Net fixed assets	53.76	60.34	79.66	86.09	95.20	131.37	166.65	205.91	229.67	232.86	238.38	236.63	223.80	211.16	200.90	191.75	177.36	174.91	196.02	267.12	282.45	294.00	274.92	**302.42**
Investments	0.03	0.06	0.06	0.06	0.06	0.06	14.92	21.82	28.32	27.00	27.00	27.00	25.12	23.09	24.62	37.09	27.58	27.02	27.02	27.02	47.39	7.66	7.63	**9.13**
Inventories	8.17	14.94	29.93	62.65	71.63	86.39	101.85	112.07	152.54	226.19	172.67	172.19	183.44	146.23	124.82	141.92	164.12	271.62	374.39	677.48	1,021.09	1,202.69	1,340.33	**1,993.83**
Debtors	0.24	2.41	3.27	4.03	5.65	14.06	14.32	33.58	77.85	78.10	83.25	101.40	121.05	159.04	207.75	186.38	148.16	77.09	90.12	92.06	96.45	106.22	93.61	**113.68**
Cash and bank balances	3.34	2.38	0.96	2.22	1.70	8.50	12.65	9.63	13.85	4.58	7.64	5.04	17.53	27.51	17.33	23.99	26.85	44.01	38.29	50.73	51.91	54.69	186.72	**1,094.89**
Loans and Advances	5.16	2.41	4.51	10.38	15.95	30.19	18.61	18.93	43.89	68.42	106.47	121.45	115.48	150.67	197.40	217.08	193.69	172.14	143.96	65.54	99.17	114.13	183.06	**220.00**
Total Current Assets	16.91	22.14	38.67	79.28	94.93	139.14	147.43	174.21	288.13	377.29	370.03	400.08	437.50	483.45	547.30	569.37	532.82	564.86	646.76	885.81	1,268.62	1,477.73	1,803.71	**3,422.40**
Less: Current Liabilites & Provisions	8.78	14.75	31.58	65.65	75.74	36.04	49.23	61.79	79.04	76.48	58.10	69.88	79.93	91.52	126.45	173.27	164.09	266.60	359.86	592.26	879.70	1,034.57	1,284.33	**2,639.35**
Net Current Assets	8.13	7.39	7.09	13.63	19.19	103.10	98.20	112.42	209.09	300.81	311.93	330.20	357.57	391.93	420.86	396.10	368.73	298.26	286.91	293.55	388.93	443.16	519.38	**783.04**
Deferred revenue expenditure	-	-	-	-	-	-	-	-	-	-	-	-	4.27	3.20	6.18	46.17	33.31	24.40	14.31	4.21	-	-	-	**-**
APPLICATION OF FUNDS - Total	61.92	67.79	86.81	99.78	114.45	234.53	279.77	340.15	467.08	560.67	577.31	593.83	610.76	629.38	652.56	671.11	606.98	524.59	524.25	591.89	718.77	744.83	801.93	**1,094.60**
PROFIT & LOSS ACCOUNT	1987-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	**2010-11**
Sales volumes (nos in lakhs)																								
Watches	3.44	5.13	12.52	18.33	22.42	25.75	28.07	32.58	38.75	39.45	43.53	51.11	58.54	66.76	61.77	60.02	68.38	73.19	83.36	89.64	102.86	96.93	110.36	**135.98**
Jewellery	-	-	-	-	-	-	-	0.09	0.20	0.37	1.20	1.68	3.00	7.21	6.05	13.72	8.70	4.32	5.70	7.20	11.39	13.65	14.22	**15.52**
Clocks, sunglasses, etc.	-	-	-	-	-	-	-	-	0.67	3.64	3.05	4.30	3.29	1.62	0.51	0.41	2.39	4.84	5.05	5.29	6.97	9.29	15.20	**26.89**
Sales Income	16.80	27.59	74.06	106.26	155.01	191.21	226.23	282.49	350.72	408.52	442.06	482.04	630.33	696.90	724.78	797.90	958.52	1,134.66	1,481.37	2,136.46	3,041.09	3,847.72	4,703.12	**6,570.86**
Expenditure	16.40	21.09	59.02	79.29	119.94	156.25	183.78	223.93	276.19	320.73	357.20	393.48	550.62	614.19	639.32	726.03	862.49	1,019.50	1,327.42	1,938.01	2,790.70	3,551.23	4,308.17	**5,985.25**
Interest	1.36	3.51	6.51	11.82	17.72	18.46	16.16	21.80	34.22	56.40	52.96	51.92	50.88	47.84	46.27	41.35	37.62	30.92	24.84	20.42	20.14	29.43	25.42	**8.21**
Depreciation/Amortisation	0.85	2.16	3.98	6.57	6.74	7.23	9.78	13.11	15.68	16.52	18.82	20.14	20.40	20.93	23.28	21.14	21.47	19.61	19.66	25.59	29.73	41.76	60.08	**34.48**
Operating Profit	(1.81)	0.83	4.55	8.58	10.61	9.27	16.51	23.65	24.63	14.87	13.08	16.50	8.43	13.94	15.91	9.38	36.94	64.63	109.45	152.44	200.53	225.30	309.46	**542.92**
Add: Other Income	2.11	0.45	0.56	0.52	0.49	1.60	2.58	1.44	2.94	12.93	3.16	2.41	13.01	11.63	2.24	10.40	2.09	2.73	2.43	3.22	1.77	5.26	11.86	**56.08**
Less: Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.00)	(25.00)	(35.00)	(25.00)	(24.00)	-	-	-	**-**
Profit Before Taxes	0.30	1.28	5.11	9.10	11.10	10.87	19.09	25.09	27.57	27.80	16.24	18.91	21.44	25.57	18.16	9.78	14.03	32.36	86.88	131.65	202.30	230.56	321.32	**599.00**
Taxes	0.04	0.21	0.78	-	-	-	-	-	-	3.58	1.60	1.87	2.16	2.09	5.06	3.57	2.84	7.41	13.26	37.52	52.04	71.59	70.99	**168.59**
Profit After Taxes	0.26	1.07	4.33	9.10	11.10	10.87	19.09	25.09	27.57	24.22	14.64	17.04	19.28	23.48	13.09	6.21	11.19	24.95	73.62	94.13	150.27	158.96	250.32	**430.41**
Equity Dividend (%)	-	-	15%	18%	20%	22%	25%	30%	33%	33%	25%	26%	26%	26%	15%	10%	10%	20%	30%	50%	80%	100%	150%	**200%**
Equity Dividend (Rs.)	-	-	3.60	4.83	5.37	6.89	10.57	12.69	13.95	13.95	10.57	10.99	10.99	10.99	6.34	4.23	4.23	8.46	13.32	22.19	35.51	44.39	66.58	**110.97**
Employee costs (excluding VRS)	1.03	1.56	3.98	6.24	8.19	12.84	17.89	22.62	32.20	48.13	48.91	54.04	72.17	74.07	76.32	71.57	84.98	95.73	109.13	157.04	189.16	233.40	274.49	**392.97**
% to Sales Income	6.1%	5.7%	5.4%	5.9%	5.3%	6.7%	7.9%	8.0%	9.2%	11.8%	11.1%	11.2%	11.4%	10.6%	10.5%	9.0%	8.9%	8.4%	7.4%	7.4%	6.2%	6.1%	5.8%	**6.0%**
Advertising	1.85	2.07	5.61	8.38	9.52	13.16	16.06	20.22	29.62	36.01	20.04	27.36	41.69	40.10	36.55	47.44	59.82	76.89	101.31	133.82	151.55	181.36	211.15	**303.27**
% to Sales Income	11.0%	7.5%	7.6%	7.9%	6.1%	6.9%	7.1%	7.2%	8.4%	8.8%	4.5%	5.7%	6.6%	5.8%	5.0%	5.9%	6.2%	6.8%	6.8%	6.3%	5.0%	4.7%	4.5%	**4.6%**

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TITAN INDUSTRIES LIMITED

1) We have audited the attached Consolidated Balance Sheet of TITAN INDUSTRIES LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investment in an associate company accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) The financial statements of an associate company in respect of which the Group's share of loss of Rs. 1.15 lakhs for the year ended 31st March, 2011 is reflected in the Consolidated Financial Statements on the basis of unaudited financial information as provided by the Management of the associate company.

4) We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5) Based on our audit and on consideration of the separate reports on the individual financial statements of the Company and its subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner
(Membership No. 21209)

Mumbai, 29th April, 2011

Titan Group

Consolidated Balance Sheet as at 31 March 2011

₹ lakhs

	Schedule	As at 31-03-2011		As at 31-03-2010
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	A	**4438.93**		4438.93
Reserves and surplus	B	**99122.98**		68752.42
			103561.91	73191.35
Loan funds				
Secured loans	C		**6802.12**	7299.11
Deferred tax liability (Net)			**208.80**	535.10
Total			**110572.83**	81025.56
APPLICATION OF FUNDS				
Fixed assets	D			
Gross block, at cost		**68550.78**		63739.77
Less : Depreciation		**39708.52**		36960.98
Net block		**28842.26**		26778.79
Advances on capital account and capital work in progress, at cost		**1937.49**		1232.35
			30779.75	28011.14
Investments	E		**258.23**	159.51
Deferred tax asset (Net)			**-**	0.85
Current assets, loans and advances	F			
Inventories		**199811.68**		134541.85
Sundry debtors		**11763.00**		9473.48
Cash and bank balances		**110827.43**		19729.68
Loans and advances		**22248.83**		18602.21
		344650.94		182347.22
Less :				
Current liabilities and provisions	G			
Current liabilities		**242975.11**		115910.11
Provisions		**22140.98**		13583.05
		265116.09		129493.16
Net current assets			**79534.85**	52854.06
Total			**110572.83**	81025.56
Notes to the Accounts	J			

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

For and on behalf of the Board of Directors

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Consolidated Profit and Loss Account for the year ended 31 March 2011

₹ lakhs

	Schedule	Current Year		Previous Year
INCOME				
Sales			**658487.25**	470689.94
Less : Excise Duty			**5190.01**	2974.40
Net Sales Income			**653297.24**	467715.54
Other income	H		**5706.85**	1273.34
Total			**659004.09**	468988.88
EXPENDITURE				
Operating and other expenses	I		**594348.40**	428118.80
Depreciation / Amortisation			**3511.17**	6068.89
Interest			**823.36**	2540.33
Total			**598682.93**	436728.02
PROFIT BEFORE TAXES			**60321.16**	32260.86
Income taxes - Current		**17008.06**		8176.15
- Deferred		**(325.45)**		(1336.80)
			16682.61	6839.35
PROFIT AFTER TAXES			**43638.55**	25421.51
Less: Income tax of earlier years			**324.97**	291.65
PROFIT FOR THE YEAR BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATE			**43313.58**	25129.86
Less: Share of loss of associate			**1.15**	-
NET PROFIT			**43312.43**	25129.86
Profit brought forward			**27969.15**	21682.57
Amount available for appropriation			**71281.58**	46812.43
Appropriations				
Transfer to debenture redemption reserve		**528.00**		528.00
Proposed dividend on equity shares		**11097.33**		6658.40
Tax on dividends		**1800.26**		1105.88
Transfer to general reserve		**13646.00**		10551.00
			27071.59	18843.28
Balance carried to Balance Sheet			**44209.99**	27969.15
Earnings per share of ₹10 each - Basic and diluted (₹)			**97.57**	**56.61**
Notes to the Accounts	J			

The Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

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Hema Ravichandar
Directors

Titan Group

Consolidated Cash Flow Statement for the year ended 31 March 2011

₹ lakhs

	Current year	Previous year
A. Cash flow from operating activities		
Net profit before tax	**60321.16**	32260.86
Adjustments for :		
- Depreciation / Amortisation	**3511.17**	6068.89
- Unrealised exchange difference (net)	**143.75**	(428.11)
- Marked to Market loss	**118.08**	219.42
- Loss on sale/ disposal/ scrapping of fixed assets (net)	**185.64**	325.18
- Profit on sale of subsidiary	**-**	(9.12)
- Bad debts / advances written off	**58.91**	-
- Provision for doubtful debts/ advances	**(16.73)**	66.97
- Interest income	**(5583.89)**	(1121.24)
- Dividend income	**(1.14)**	0.00
- Interest expense	**823.36**	2540.33
Operating profit before working capital changes	**59560.31**	39923.18
Adjustments for :		
- (Increase)/Decrease in sundry debtors	**(2285.29)**	1038.50
- (Increase)/Decrease in inventories	**(65269.83)**	(14058.00)
- (Increase)/Decrease in loans and advances	**(2069.73)**	(1973.53)
- Increase/(Decrease) in current liabilities and provisions	**130203.89**	22804.45
Cash generated from operations	**120139.35**	47734.60
- Direct taxes paid	**(17404.54)**	(13573.31)
Net cash from operating activities	**102734.81**	34161.29
B. Cash flow from investing activities		
Additions to fixed assets(including capital work in progress and advances on capital account)	**(6710.28)**	(4449.44)
Proceeds from sale of fixed assets	**85.50**	187.63
Purchase of investments- Others	**(150.00)**	-
Proceeds from redemption of investments	**50.13**	(0.07)
Dividends received	**1.14**	-
Interest received	**4032.71**	1111.18
Net cash used in investing activities	**(2690.80)**	(3150.70)
C. Cash flow from financing activities		
Proceeds from new borrowings	**12.12**	1080.33
Repayment of borrowings	**(542.22)**	(10181.81)
Dividends paid	**(6615.83)**	(4415.42)
Tax on dividends paid	**(1105.88)**	(754.40)
Interest paid	**(801.57)**	(2620.25)
Net cash used in financing activities	**(9053.38)**	(16891.55)
Net cash flows during the year (A+B+C)	**90990.63**	14119.04
Cash and cash equivalents (opening balance)	**19729.68**	5639.54
Add / (Less) : Unrealised exchange (gain) / loss	**42.73**	13.83
	19772.41	5653.37
Cash and cash equivalents (closing balance)	**110827.43**	19729.68
Add / (Less) :Unrealised exchange (gain) / loss	**(64.39)**	42.73
	110763.04	19772.41
Increase / (decrease) in cash and cash equivalents	**90990.63**	14119.04

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. Ramaratnam
Partner

Mumbai, 29 April 2011

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Directors

Schedules forming part of Consolidated Balance Sheet

₹ lakhs

			As at 31-03-2011		As at 31-03-2010
" A "	**Share capital**			
	Authorised			
	8,00,00,000 equity shares of ₹ 10 each		**8000.00**	8000.00
	40,00,000 redeemable cumulative preference shares of ₹ 100 each		**4000.00**	4000.00
			12000.00	12000.00
	Issued and subscribed			
	4,43,89,308 equity shares of ₹ 10 each, fully paid up		**4438.93**	4438.93
			4438.93	4438.93
" B "	**Reserves and surplus**			
	Capital reserve		**13.28**	13.28
	Capital reserve on consolidation			
	As per last balance sheet	**65.48**		72.07
	Less : On cessation of a subsidiary	**-**		6.59
			65.48	65.48
	Capital redemption reserve		**10.00**	10.00
	Share premium account		**13888.27**	13888.27
	Debenture redemption reserve			
	As per last Balance Sheet	**2069.00**		1541.00
	Add : Transfer from Profit and Loss Account	**528.00**		528.00
			2597.00	2069.00
	Hedging reserve			
	As per last Balance Sheet	**45.90**		45.90
	Add / (Less) : Movements during the year (net)	**(44.28)**		-
			1.62	45.90
	General reserve			
	As per last Balance Sheet	**24691.34**		14140.34
	Add : Transfer from Profit and Loss Account	**13646.00**		10551.00
			38337.34	24691.34
	Balance in Consolidated Profit and Loss Account		**44209.99**	27969.15
			99122.98	68752.42
" C "	**Secured loans**			
	6.75% non convertible debentures of ₹ 250 each, fully paid up		**5265.02**	5265.02
	Foreign Currency loan		**1487.33**	1996.44
	Cash credit account		**49.77**	37.65
			6802.12	7299.11

Titan Group

Schedules forming part of Consolidated Balance Sheet

" D " Fixed Assets ₹ lakhs

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 1-4-2010	**Additions/ Adjustments**	**Deductions**	**Cost as at 31-3-2011**	As at 1-4-2010	**For the year**	**Deductions/ Adjustments**	**As at 31-3-2011**	**As at 31-3-2011**	**As at 31-3-2010**
Land - freehold	228.07	**-**	**0.88**	**227.19**	-	**-**	**-**	**-**	**227.19**	228.07
Land - leasehold	541.96	**-**	**-**	**541.96**	9.17	**0.51**	**-**	**9.68**	**532.28**	532.79
Buildings	6087.88	**918.62**	**26.79**	**6979.71**	2019.21	**191.36**	**4.48**	**2206.09**	**4773.62**	4068.67
Plant, machinery and equipment	43601.41	**3045.92**	**553.97**	**46093.36**	26741.73	**1861.49**	**414.18**	**28189.04**	**17904.32**	16859.68
Furniture, fixtures and equipment	6161.16	**1632.11**	**392.09**	**7401.18**	3158.55	**1002.58**	**287.17**	**3873.96**	**3527.22**	3002.61
Vehicles	792.18	**249.13**	**61.04**	**980.27**	308.61	**202.06**	**57.80**	**452.87**	**527.40**	483.57
Intangible assets - Trade Marks	6327.11	**-**	**-**	**6327.11**	4723.71	**253.17**	**-**	**4976.88**	**1350.23**	1603.40
TOTAL	63739.77	**5845.78**	**1034.77**	**68550.78**	36960.98	**3511.17**	**763.63**	**39708.52**	**28842.26**	
Previous year	60584.67	5364.80	2209.70	63739.77	32588.98	6068.89	1696.89	36960.98		26778.79
Advances on capital account and capital work in progress, at cost									**1937.49**	1232.35
									30779.75	28011.14

₹ lakhs

	As at 31-03-2011		As at 31-03-2010
" E " Investments			
Trade investments (Long-term) - Unquoted			
In Associates			
Carrying amount of investment in TVS Wind Power Limited {refer Note 1 & 7}	**148.85**		-
In Others			
5,25,000 (2010: 5,25,000) fully paid equity shares of ₹ 10 each in			
Innoviti Embedded Solutions Pvt. Limited	**100.00**		100.00
		248.85	100.00
Non-Trade investments (Long-term) - quoted			
100 (2010 : 100) fully paid equity shares of ₹ 10 each in			
Timex Watches Limited	**0.01**		0.01
1,000 (2010 : 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	**0.10**		0.10
2,025 (2010 : 2,025) fully paid equity shares of ₹ 10 each in Tata Steel Limited	**4.62**		4.62

Schedules forming part of Consolidated Balance Sheet

₹ lakhs

	As at 31-3-2011		As at 31-3-2010
600 (2010 : 600) fully paid equity shares of ₹ 10 each in Tata Global Beverages Limited	**2.34**		2.34
560 (2010 : 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	**1.40**		1.40
300 (2010 : 300) fully paid equity shares of ₹ 10 each in Trent Limited	**0.92**		0.92
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Alloys Limited	**0.02**		0.02
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Foods and Fashions Limited	**0.01**		0.01
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Biotech Limited	**0.02**		0.02
100 (2010 : 100) fully paid equity shares of ₹ 10 each in Titan Securities Limited	**0.01**		0.01
	9.45		9.45
Less : Provision for diminution	**0.07**		0.07
		9.38	9.38
Non-Trade Investments (long term) - Unquoted			
500 (2010: 500) 5.50% Non Convertible redeemable Taxable Bonds of Rs.10,000 each in - Rural Electrification Corporation Limited		**-**	50.00
		-	50.00
Others - Long-term - Quoted			
25 (2010 : 25) fully paid secured non-convertible debentures of Rs.500 each in Trent Limited (fully redeemed during the year)		**-**	0.13
		-	0.13
		258.23	159.51
Aggregate amount of quoted investments		9.38	9.51
Aggregate amount of unquoted investments		248.85	150.00
Market value of quoted investments		24.10	24.71

Schedules forming part of Consolidated Balance Sheet

₹ lakhs

		As at 31-03-2011		As at 31-03-2010
" F "	**Current assets, loans and advances**			
	Inventories			
	Consumable stores		**456.55**	378.03
	Loose tools		**490.44**	392.26
	Raw materials and bought-out components		**36792.25**	21564.42
	Contract Work in progress		**102.45**	317.56
	Work in progress		**8716.83**	10903.73
	Finished goods		**153253.16**	100985.85
			199811.68	134541.85
	Sundry debtors (unsecured)			
	Over six months			
	Considered good	**371.06**		720.17
	Considered doubtful	**745.54**		762.27
		1116.60		1482.44
	Others - considered good	**11391.94**		8753.31
		12508.54		10235.75
	Less: Provision for doubtful debts	**745.54**		762.27
			11763.00	9473.48
	Cash and bank balances			
	Cash on hand	**519.34**		323.73
	Cheques on hand	**385.42**		418.46
	With scheduled banks - in current accounts *	**7365.91**		5441.00
	- in fixed deposits	**102550.00**		13540.00
	With non scheduled banks - in current accounts	**6.76**		6.49
	(*includes Funds in transit - ₹ 1555.28 lakhs (2010: ₹ 1357.92 lakhs)		**110827.43**	19729.68
	Loans and advances			
	(unsecured and considered good, unless otherwise stated)			
	Advances recoverable in cash or in kind or for value to be received			
	Considered good	**15382.71**		11500.83
	Considered doubtful	**2226.67**		5179.27
		17609.38		16680.10
	Less: Provision for doubtful loans and advances	**2226.67**		5179.27
		15382.71		11500.83
	Tax payments , net of provision	**5458.40**		5386.89
	Balances with customs and excise authorities	**1407.72**		1714.49
			22248.83	18602.21
			344650.94	182347.22

Schedules forming part of Consolidated Balance Sheet

₹ lakhs

		As at 31-03-2011		As at 31-03-2010
" G "	**Current liabilities and provisions**			
	Current liabilities			
	Sundry creditors	**175002.26**		72383.96
	Unearned revenue	**139.21**		-
	Deferred income on group transactions	**449.96**		449.96
	Unclaimed dividends	**159.28**		116.71
	Advance from customers {refer note 8}	**66896.61**		42627.71
	Interest accrued but not due on loans	**327.79**		331.77
			242975.11	115910.11
	Provisions			
	Proposed dividend on equity shares	**11097.33**		6658.40
	Tax on dividends	**1800.26**		1105.88
	Retiring gratuities and pension	**2265.91**		1307.49
	Leave salaries	**4382.43**		3295.36
	Others {refer Note 5(a)}	**2595.05**		1215.92
			22140.98	13583.05
			265116.09	129493.16

Schedules forming part of Consolidated Profit and Loss Account

₹ lakhs

		Current Year	Previous Year
" H "	**Other income**		
	Interest from staff loans, vendor advances and bank deposits - gross	**5583.89**	1121.24
	Profit on sale of subsidiary	**-**	9.12
	Dividends on long-term, Non-trade investments - Others	**1.14**	-
	Miscellaneous income	**121.82**	142.98
		5706.85	1273.34

Schedules forming part of Consolidated Profit and Loss Account

₹ lakhs

			Current Year	Previous Year
" I " Operating and other expenses				
Raw materials and components consumed			**436839.63**	308402.88
Loose tools, stores and spare parts consumed			**8439.65**	6188.60
Purchase of finished goods			**84958.23**	41215.26
Salaries, wages and bonus			**34290.86**	24154.64
Company's contribution to provident and other funds			**1314.20**	1072.96
Welfare expenses			**2245.14**	1618.71
Gratuity			**1885.41**	938.94
Other expenses				
Power and fuel		**2163.19**		1772.84
Repairs to buildings		**196.21**		104.83
Repairs to plant and machinery		**890.67**		631.02
Advertising		**30326.93**		21114.74
Selling and distribution expenses		**7275.80**		4509.06
Insurance		**363.33**		327.26
Rent		**7482.38**		7323.29
Rates and taxes		**9123.28**		4330.93
Travel		**1906.66**		1317.32
Loss on sale / disposal / scrapping of fixed assets (net)		**185.64**		325.18
Bad Debts / advances written off		**58.91**		498.41
Provision for doubtful debts / advances	34.51			-
Less: Provision for doubtful debts of earlier years written back	51.24	**(16.73)**		-
Irrecoverable loans and advances written off	2952.60			66.97
Less : Provision for loans and advances created in earlier years	2952.60			498.41
		-		(431.44)
Gold price hedging costs (net)		**114.34**		3928.57
General expenses		**13978.59**		10175.62
			74049.20	55927.63
Commission to Non Whole-time Directors			**210.00**	115.00
Decrease/(Increase) in work in progress and finished goods				
Closing stocks				
Contract work in progress	**102.45**			317.56
Work in progress	**8716.83**			10903.73
Finished goods	**153253.16**			100985.85
		162072.44		112207.14
Opening stocks				
Contract work in progress	**317.56**			32.87
Work in progress	**10903.73**			7248.37
Finished goods	**100985.85**			93414.13
		112207.14		100695.37
			(49865.30)	(11511.77)
			594367.02	428122.85
Less : Expenses capitalised			**18.62**	4.05
			594348.40	428118.80

Schedules forming part of the Consolidated Accounts

"J" Notes to the accounts

1. Basis of Consolidation:

   The Consolidated Financial Statements comprise of Titan Industries Limited ("the Company") and its subsidiaries (Titan Group). The Consolidated Financial Statements have been prepared on the following basis:

   The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard (AS) 21 – Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation.

   Investment in associate company is accounted for using equity method as per AS 23 – "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

   The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the company	**Country of incorporation**	**Ownership interest**	
		31.03.2011	31.3.2010
Titan TimeProducts Ltd.	India	**100%**	100%
Titan Properties Ltd.	India	**100%**	100%
Tanishq (India) Ltd.	India	**100%**	100%

   The Associate Company which is included in the consolidation and the Company's holdings therein are as under:

Name of the company	**Country of incorporation**	**Ownership interest**	
		31.03.2011	31.3.2010
TVS Wind Power Ltd. (from 22 March 2011)	India	**26.79%**	-

   The financial statements of the subsidiary companies and the associate company included in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2011. Financial statements of all subsidiaries included in consolidation are audited. The figures used in consolidation for equity accounting of the investment in the associate company are unaudited.

2. The particulars of investment made in the associate company as on 31 March 2011 are as follows:

   (Previous year figures are in brackets)

₹ in lakhs

Sl No	**Name of the Associate**	**Original Cost of Investment**	**Amount of Goodwill / (-) Capital Reserve in Original Cost**	**Share of post acquisition losses**	**Carrying cost of investments**
1	TVS Wind Power Ltd.	**150.00** (-)	**-** (-)	**(1.15)** (-)	**148.85** (-)

Schedules forming part of the Consolidated Accounts

3. Accounting policies:

The financial statements have been prepared on an accrual basis under the historical cost convention in accordance with the accounting principles generally accepted in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and by the Institute of Chartered Accountants of India.

i. Revenue recognition: Revenue from sale of goods is recognised when the goods are despatched from the factory/ stock points or delivered to customers as per the terms of the contract. Revenue from sale of property is recognised on percentage of completion method.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the Company's right to receive the payment is established.

ii. Fixed Assets: Fixed assets are capitalised at acquisition cost including directly attributable cost.

iii. Depreciation: Depreciation has been provided on the straight line method in accordance with the Companies Act, 1956, except for the following:

Computers	-	@ 25% instead of 16.21%
Vehicles	-	@ 25% instead of 9.50%
Furniture & Fixtures	-	@ 20% instead of 6.33%

iv. Amortisation: Trade marks are amortised over a period of 120 months from the month of acquisition. The expected pattern of economic benefits from the use of trademarks is reviewed periodically and additional amortisation, if required, is provided.

v. Foreign currency transactions: Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities (including those relating to integral foreign operations) are restated at year end rates or forward cover rates, as applicable. The net loss or gain arising on restatement/ settlement is adjusted to the Profit and Loss Account.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Profit and Loss Account of the reporting period in which the exchange rates change.

vi. Derivative Accounting: The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan. The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. All such derivative financial instruments are supported by an underlying transaction and are not for trading or speculative purposes.

The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows

Schedules forming part of the Consolidated Accounts

are recognised directly in hedging reserve and the ineffective portion is recognised immediately in the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the Profit and Loss Account as they arise.

vii. Investments: Long term investments are valued at cost. However provision for diminution in value is made to recognise a decline, other than temporary, in the value of investments.

viii. Transfer to debenture redemption reserve is made pro-rata over the life of the debentures in terms of the requirements of the Companies Act, 1956.

ix. Inventories: Inventories are valued at lower of cost and net realisable value. The cost of various categories of inventory is determined as follows:

a) Gold is valued on First-in-first-out basis.

b) Consumable stores, loose tools, raw materials and components are valued on a moving weighted average rate.

c) Work-in-progress and manufactured goods are valued on full absorption cost method based on the average cost of production.

d) Traded goods are valued on a moving weighted average rate/ cost of purchases.

x. Product warranty expenses: Product warranty costs are determined based on past experience and provided for in the year of sale.

xi. Employee Benefits:

Short term employee benefits

All short term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the Profit and Loss Account.

Defined Contribution Plan

Company’s contributions to the Superannuation Fund which is self managed Fund and Pension Fund administered by Regional Provident Fund Commissioner are debited to the Profit and Loss Account on an accrual basis.

Contribution to Provident Fund and Pension Fund (of a subsidiary) are made at predetermined rates to the Regional Provident Fund Commissioner and debited to the Profit and Loss Account on an accrual basis.

Defined Benefit Plan

Contribution to the Company’s Gratuity Trust, liability towards pension of retired managing director and provision towards leave salary benefit is provided on the basis of an actuarial valuation using the projected unit credit method and is debited to the Profit and Loss Account on an accrual basis. Actuarial gains and losses arising during the year are recognised in the Profit and Loss Account.

Schedules forming part of the Consolidated Accounts

Contribution to the Company's Provident Fund Trust is made at predetermined rates and debited to the Profit and Loss Account on an accrual basis.

xii. Taxes on Income: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

xiii. Segment accounting: Segments are identified based on the types of products and the internal organisation and management structure. The Group has identified business segment as its primary reporting segment with secondary information reported geographically.

The Group's primary segments consist of Watches, Jewellery and Others, where 'Others' include Eye wear, Precision Engineering, Machine Building and Clocks.

Corporate (unallocated) represents other income and expenses which relate to the enterprise as a whole and are not allocated to segments.

xiv. Impairment of assets: Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an impairment loss is recognised when the carrying amount exceeds greater of net selling price and value in use.

xv. Use of estimates: The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements.

xvi. Provisions and Contingencies: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3578.34 lakhs (2010: ₹ 1893.51 lakhs).

5. (a) Provisions – Others include :

(i) Provision for warranty – ₹ 264.88 lakhs (2010: ₹ 228.48 lakhs).

The Company gives warranty on all products except jewellery, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows and determined based on past experience. No reimbursements are expected. Additional provision made and utilised/reversed during the year is ₹ 264.88 lakhs (2010: ₹ 228.48 lakhs) and ₹ 228.48 lakhs (2010: ₹ 239.98 lakhs) respectively.

(ii) Provision for Customer Loyalty programme - ₹ 2330.17 lakhs (2010: ₹ 987.44 lakhs)

The Company has a scheme of reward points on purchase of certain products by customers which can be redeemed at the time of future purchases. Provision is made on past experience of redemption. Additional provision made and utilised/reversed during the year is ₹ 3311.74 lakhs (2010: ₹ 1150.15 lakhs) and ₹ 1969.01 lakhs (2010: ₹ 643.70 lakhs) respectively

Schedules forming part of the Consolidated Accounts

(b) Contingent liabilities not provided for – ₹ 5814.82 lakhs (2010: ₹ 5361.26 lakhs) comprising of the following:

Sales Tax – ₹ 412.72 lakhs (2010: ₹ 307.30 lakhs)
(relating to applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Customs Duty – ₹ 316.94 lakhs (2010: ₹ 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)

Excise Duty – ₹ 3331.58 lakhs (2010: ₹ 3397.79 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of assessable value, denial of input service credit on service tax)

Income Tax – ₹ 1299.09 lakhs (2010: ₹ 1248.69 lakhs)
(relating to disallowance of deductions claimed and Transfer Pricing adjustments)

Others – ₹ 454.49 lakhs (2010: ₹ 90.54 lakhs)
(relating to miscellaneous claims)

The above amounts have been arrived at based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

6. The Company had received show cause notices from the Excise authorities aggregating to ₹ 6391.14 lakhs without quantifying interest and penalty, towards excise duty on jewellery despatches. The Company had been legally advised that the notice is not sustainable.

7. The Company has given an undertaking not to sell or encumber in any manner its investments in the associate company in accordance with the Equity Participation agreement.

8. Advances from customers shown under current liabilities and provisions include advances received of ₹ 58779.77 lakhs (2010: ₹ 33540.50 lakhs) towards sale of jewellery products under various sale initiatives / retail customer programmes.

9. Exchange gain (net) included in the Profit and Loss Account is ₹ 265.45 lakhs (2010: Loss - ₹ 94.43 lakhs).

10. Sales includes sale of scrap ₹ 521.29 lakhs (2010: ₹ 591.98 lakhs), sale of accessories ₹ 10223.62 lakhs (2010: ₹ 7870.00 lakhs), sale of tools and components ₹ 1246.12 lakhs (2010: ₹ 715.83 lakhs), sale of gold ₹ 1168.05 lakhs (2010: ₹ 788.09 lakhs), sale of precious and semi-precious stones ₹ 3230.80 lakhs (2010: ₹ 2625.95 lakhs), income from services provided ₹ 269.41 lakhs (2010: ₹ 246.83 lakhs) and is net of turnover based commission of ₹ 13313.28 lakhs (2010: ₹ 9553.38 lakhs) and all discounts, including cash discount of ₹ 772.26 lakhs (2010: ₹ 644.17 lakhs).

11. Auditors remuneration comprises of fees for audit of statutory accounts ₹ 93.00 lakhs (2010: ₹ 93.00 lakhs), taxation matters ₹ 28.36 lakhs (2010: ₹ 44.26 lakhs), audit of consolidated accounts ₹ 7.00 lakhs (2010: ₹ 7.00 lakhs), other services ₹ 21.90 lakhs (2010: ₹ 22.30 lakhs) and reimbursement of levies and expenses ₹ 19.75 lakhs (2010: ₹ 5.31 lakhs).

12. The Directors' remuneration of ₹ 511.45 lakhs (2010: ₹ 318.13 lakhs), excluding provision for encashable leave and gratuity as separate actuarial valuation is not available, comprises of payments to the Managing Director which is inclusive of contribution to provident and other funds ₹ 11.02 lakhs (2010: ₹ 9.56 lakhs), perquisites ₹ 55.43 lakhs (2010: ₹ 48.17 lakhs), leave encashment paid ₹ 44.20 Lakhs (2010: Nil), commission of ₹ 150.00 lakhs (2010: ₹ 110.00 lakhs) and commission to non whole-time directors of ₹ 210.00 lakhs (2010: ₹ 115.00 lakhs).

Schedules forming part of the Consolidated Accounts

13. (a) The total of future minimum lease payments under non-cancellable operating leases are as follows :

₹ in lakhs

	2011	2010
For a period not later than one year	**3795.50**	3886.71
For a period later than one year but not later than five years	**3239.87**	2611.68
For a period later than five years	**-**	-
Total	**7035.37**	6498.39

(b) The company has taken the above operating lease for a non-cancellable period ranging from 1 year to 6 years. The leases are renewable by mutual consent.

(c) Lease rentals recognised in the statement of Profit and Loss Account in respect of the above operating lease is ₹ 4101.83 lakhs (2010: ₹ 3810.33 lakhs)

14. Employee Benefits:

a. Defined Contribution Plans

The contributions recognised in the Profit and Loss Account during the year are as under:

₹ in lakhs

Defined Contribution Plan	**2011**	2010
Superannuation Fund	**268.00**	229.91
Employee Pension Fund (EPF)	**273.56**	252.86
Provident Fund (Subsidiary Company)	**18.11**	18.34
Total	**559.67**	501.11

b. Defined Benefit Plans

(i) Funded

(a) Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognises such shortfall as an expense. There is no shortfall in the interest payable by the Trust to the beneficiaries as on the Balance Sheet date.

(b) The Company makes annual contributions to The Titan Industries Gratuity Fund. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The gratuity benefit of a subsidiary is not funded.

Schedules forming part of the Consolidated Accounts

The following table sets out the status and amounts recognised in the Titan Group's financial statements as at 31 March 2011 for Gratuity.

Defined Benefit Plan - Gratuity as per actuarial valuation as at 31 March, 2011

₹ in lakhs

			2011		2010	
			Funded	**Unfunded**	Funded	Unfunded
I	Net Asset / Liability recognised in the Balance Sheet					
	1	Present value of funded obligations	**7292.47**	**87.65**	5126.23	68.78
	2	Fair Value of Plan Assets	**(5425.93)**	**-**	(4191.14)	-
	3	(Deficit) / surplus	**(1866.54)**	**(87.65)**	(935.09)	(68.78)
	4	Net Asset / Liability				
		- Assets				
		- Liabilities	**1866.54**	**87.65**	935.09	68.78
II	Expense recognised in the Profit and Loss Account					
	1	Current Service Cost	**373.63**	**2.58**	303.97	4.42
	2	Interest Cost	**452.67**	**5.90**	337.43	5.32
	3	Expected Return on Plan Assets	**(327.18)**	**-**	(279)	-
	4	Actuarial Losses/ (Gains)	**1364.12**	**2.60**	572.69	(5.89)
	5	Past Service Cost	**3.30**	**7.79**	-	-
		Total expenses recognised in Schedule – 'I'	**1866.54**	**18.87**	935.09	3.85
III	Change in present value of obligation					
	1	Present value of Defined Benefit Obligation at the beginning of the year	**5126.23**	**68.78**	4039.92	65.70
	2	Current Service Cost	**373.63**	**2.58**	303.97	4.42
	3	Interest Cost	**452.67**	**5.90**	337.43	5.32
	4	Actuarial Losses/ (Gains)	**1392.32**	**2.60**	582.45	(5.89)
	5	Benefits Paid	**(55.68)**	**-**	(137.54)	(0.77)
	6	Past Service Cost	**3.30**	**7.79**	-	-
	7	Present value of Defined Benefit Obligation at the end of the year	**7292.47**	**87.65**	5126.23	68.78
IV	Change in fair value of Plan assets during the year ended 31 March					
	1	Fair value of plan assets at the beginning of the year	**4191.14**	**-**	3569.57	-
	2	Expected Return on Plan assets	**327.19**	**-**	279.00	-
	3	Actuarial Losses/ (Gains)	**28.20**	**-**	9.76	-
	4	Assets distributed on settlements	**-**	**-**	-	-

Schedules forming part of the Consolidated Accounts

		2011		2010	
		Funded	**Unfunded**	Funded	Unfunded
	5 Contributions by employer	**935.08**	**-**	470.35	-
	6 Benefits Paid	**(55.68)**	**-**	(137.54)	-
	7 **Closing fair value of plan assets**	**5425.93**	**-**	4191.14	-
	Actual Return on Plan Assets	**355.39**	**-**	288.78	-
V	The major categories of Plan Assets as a percentage of total Plan Assets				
	1 Government of India Securities	**45%**		**45%**	
	2 Corporate bonds	**51%**		**50%**	
	3 Others	**4%**		**5%**	

₹ in lakhs

VI	Experience Adjustments					
		2011	2010	2009	2008	2007
	Defined Benefit Obligation	**7380.12**	5195.01	4105.60	3434.40	2856.47
	Plan Assets	**5425.93**	4191.14	3569.57	2877.94	2225.79
	Surplus/(Deficit)	**(1954.19)**	(1003.87)	(536.03)	(556.46)	(630.68)
	Experience adjustments on Plan Liabilities	**504.82**	182.86	232.18	185.14	341.42
	Experience adjustments on Plan Assets	**28.20**	9.77	82.95	4.29	(106.85)

VII	Principal actuarial assumptions		
	Discount Rate	**8.35% p.a**	8.35% p.a
	Expected Rate of Return on Plan Assets	**7.50% p.a**	7.50% p.a
VIII	The employees are assumed to retire at the age of 58 or 60 years		
IX	The mortality rates considered are as per the published rates in the LIC (1994-96) mortality tables.		

Expected rate of return on plan assets is based on average yield on investments. The Company is expected to contribute ₹ 600.00 lakhs to the gratuity fund for the year ending 31 March 2012.

(ii) Unfunded

The Long term benefits which are provided for but not funded are as under:

₹ in lakhs

	Liability as on 31 March 2011	Liability as on31 March 2010
Leave salaries	**4382.43**	3295.36
Pension	**311.72**	303.62

The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Schedules forming part of the Consolidated Accounts

15. a) Gold futures/forwards contracts outstanding as at the year end - 26 kgs, ₹ 547.51 lakhs (2010: 390 Kgs, ₹ 6410.04 lakhs)

b) The Company has an outstanding swap to hedge its foreign currency and interest rate exposures relating to foreign currency loan of US Dollars 3.33 million (2010: US Dollars 4.44 million) equivalent to ₹ 1487.33 Lakhs (2010: ₹ 1996.44 lakhs).

The Company has twelve forward exchange contracts outstanding for US Dollars 1.75 million equivalent to ₹ 779.68 lakhs (2010: 2 forward exchange contracts; US Dollars 1.80 million; ₹ 808.20 lakhs), one forward exchange contract for Euros 0.09 million equivalent to ₹ 53.98 lakhs (2010: one forward exchange contract for Euros 0.06 million equivalent to ₹ 36.87 lakhs) and three forward exchange contracts for HKD 1.80 million equivalent to ₹ 102.98 lakhs (2010: Nil) to hedge foreign currency risk of firm commitment of sales. Further, the Company also has sixteen forward exchange contracts for US Dollars 22.83 million equivalent to ₹ 10185.30 lakhs (2010: Nil), nil forward exchange in HKD (2010: one forward exchange contract for HKD 13.60 million equivalent to ₹ 822.80 lakhs) and one forward exchange contract for Swiss Francs 0.13 million equivalent to ₹ 61.41 lakhs (2010: Nil) for firm commitment of purchases.

Marked to Market loss of ₹ 118.08 lakhs (2010: ₹ 219.42 lakhs) has been recognised in the Consolidated Profit and Loss Account on these outstanding contracts.

c) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31 March 2011 are given below:

i. Amounts receivable in foreign currency as at 31 March 2011

(Previous year figures are in brackets) **Amount in lakhs**

Nature of receivables	₹	**Foreign currency**
Export of goods		
USD	**2102.89** (1005.23)	**47.18** (22.39)
GBP	**18.45** (55.84)	**0.26** (0.82)
HKD	**176.24** (91.08)	**30.77** (15.44)
EURO	**158.22** (17.01)	**2.50** (0.28)
Loans and advances		
USD	**9.68** (15.95)	**0.22** (0.35)
EURO	**7.39** (2.87)	**0.12** (0.05)
GBP	- (0.84)	- (0.01)
JPY	- (0.81)	- (1.68)

Schedules forming part of the Consolidated Accounts

ii. Amounts payable in foreign currency as at 31 March 2011

(Previous year figures are in brackets)

Amount in lakhs

Nature of payables	₹	**Foreign currency**
Import of goods and services		
USD	**519.79** (163.37)	**11.65** (3.63)
EURO	**73.41** (21.84)	**1.16** (0.36)
HKD	**376.89** (-)	**65.73** (-)
CHF	**121.08** (135.68)	**2.48** (3.20)
JPY	**7.36** (69.97)	**13.67** (145.18)
GBP	**5.03** (1.30)	**0.07** (0.02)
SEK	**4.89** (6.46)	**0.68** (1.03)
SGD	**2.43** (-)	**0.07** (-)

16. a) The details of deferred tax liability (net) are as under:

₹ in lakhs

	31 March 2010	**Tax effect for the year**	**31 March 2011**
Deferred Tax Liability			
Fixed Assets	(2362.09)	**(85.74)**	**(2447.83)**
Sub Total	(2362.09)	**(85.74)**	**(2447.83)**
Deferred Tax Asset			
Provision for doubtful debts	252.24	**(10.35)**	**241.89**
Employee benefits	1041.64	**337.02**	**1378.66**
Others	533.11	**85.37**	**618.48**
Sub Total	1826.99	**412.04**	**2239.03**
Net Deferred Tax Liability	(535.10)	**326.30**	**(208.80)**

b) The details of deferred tax asset (net) are as under:

₹ in lakhs

	31 March 2010	**Tax effect for the year**	**31 March 2011**
Deferred Tax Liability	-	**-**	**-**
Deferred Tax Asset			
Provision for doubtful debts	0.75	**(0.75)**	**-**
Others	0.10	**(0.10)**	**-**
Sub Total	0.85	**(0.85)**	**-**
Net Deferred Tax Asset	0.85	**(0.85)**	**-**

Schedules forming part of the Consolidated Accounts

17. Related party disclosures :

Names of related parties and description of relationship:

a) Promoters : Tamilnadu Industrial Development Corporation Ltd.
Tata Sons Ltd.

b) Associate : TVS Wind Power Ltd. (from 22 March 2011)

c) Key Management Personnel : Mr. Bhaskar Bhat, Managing Director

Transactions with the related parties during the year ended are set out in the table below:

(Previous year figures are in brackets) **₹ in lakhs**

Sl. No	Nature of transaction	Promoters	Key Management Personnel	Associate	Total
1	Sale of components and finished goods	- (2.65)	- (-)	- (-)	- (2.65)
2	Reimbursement of expenses	**5.15** (-)	- (-)	- (-)	**5.15** (-)
3	Interest expense	**37.34** (37.34)	- (-)	- (-)	**37.34** (37.34)
4	Rent paid	**41.36** (49.64)	- (-)	- (-)	**41.36** (49.64)
5	Dividend paid	**2568.31** (1631.12)	- (-)	- (-)	**2568.31** (1631.12)
6	Commission and sitting fees to non whole-time directors	**58.99** (28.74)	- (-)	- (-)	**58.99** (28.74)
7	Brand equity subscription	**1065.30** (664.77)	- (-)	- (-)	**1065.30** (664.77)
8	Payment towards rendering of Services	**55.33** (33.04)	- (-)	- (-)	**55.33** (33.04)
9	Managerial remuneration	- (-)	**301.45** (203.13)	- (-)	**301.45** (203.13)
10	Subscription to Share Capital	- (-)	- (-)	**150.00** (-)	**150.00** (-)

The above includes the following material related party transactions:-

(Previous year figures are in brackets) **₹ in lakhs**

Nature of transaction	Category	Name	Amount
(a) Dividend paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	**1856.08** (1237.38)
		Tata Sons Ltd.	**712.23** (393.74)
(b) Brand equity subscription	Promoters	Tata Sons Ltd.	**1065.30** (664.77)

Schedules forming part of the Consolidated Accounts

Balance as on Balance Sheet date

(Previous year figures are in brackets) **₹ in lakhs**

	Promoters	Key Management Personnel	Total
Credit balance			
Tata Sons Ltd.	**624.15**	**-**	**624.15**
	(327.78)	(-)	(327.78)
Tamilnadu Industrial Development Corporation Ltd.	**55.66**	**-**	**55.66**
	(0.02)	(-)	(0.02)
Key Management Personnel	**-**	**154.97**	**154.97**
	(-)	(4.32)	(4.32)
Total Credit Balance	**679.81**	**154.97**	**834.78**
	(327.80)	(4.32)	(332.12)

18. Earnings per share:

The following table sets forth the computation of basic and diluted earnings:

		2011	2010
a)	Net profit (₹ **in lakhs)**	**43312.43**	25129.86
b)	Weighted average number of equity shares	**4,43,89,308**	4,43,89,308
c)	i) Nominal value of shares (₹)	**10**	10
	ii) Earnings per share - Basic and diluted (₹)	**97.57**	56.61

19. Segment information for the year ended 31 March 2011

a. Primary Business Segments

(Previous year figures are in brackets)

₹ in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue					
Net sales / income (There is no inter-segment revenue)	**127203**	**501202**	**24372**	**520**	**653297**
	(102808)	(349747)	(15161)	(-)	(467716)
Result					
Before interest, other income and taxes.	**18587**	**41388**	**-1820**	**-2718**	**55437**
	(14371)	(24796)	(-3904)	(-1735)	(33528)
Add : Other Income	**157**	**1522**	**14**	**4014**	**5707**
	(158)	(672)	(15)	(428)	(1273)
Share of loss of associate	**-**	**-**	**-**	**1**	**1**
	(-)	(-)	(-)	(-)	(-)
Profit / (-) Loss before interest and taxes	**18744**	**42910**	**-1806**	**1295**	**61143**
	(14529)	(25468)	(-3889)	(-1307)	(34801)
Less : Interest (net)					**823**
					(2540)

Schedules forming part of the Consolidated Accounts

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Profit before taxes					**60320** (32261)
Taxes					**17008** (7131)
Net Profit					**43312** (25130)

₹ in lakhs

Other Information	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Segment Assets	**61249** (49187)	**182410** (126185)	**18514** (12952)	**113516** (22194)	**375689** (210518)
Segment Liabilities	**32447** (25794)	**211168** (89005)	**6992** (5150)	**14509** (9544)	**265116** (129493)
Capital expenditure	**2685** (2097)	**1910** (826)	**1956** (1722)	- (-)	**6551** (4645)
Depreciation / Amortisation	**1631** (3718)	**1049** (1630)	**769** (668)	**62** (53)	**3511** (6069)
Non Cash expenses other than depreciation / amortisation	**10** (129)	**579** (-)	- (33)	**162** (224)	**751** (386)

Total unallocable assets exclude

₹ in lakhs

	Total
Total Deferred tax asset	- (1)

Total unallocable liabilities exclude

₹ in lakhs

	Total
Secured loans	**6802** (7299)
Deferred tax liability	**209** (535)

Schedules forming part of the Consolidated Accounts

b. Secondary Geographical Segments

(Previous year figures are in brackets)

₹ in lakhs

	India	Others	Total
Revenue	**640393** (457452)	**12904** (10264)	**653297** (467716)

The operating facilities of the Company are commonly employed for both the domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segments.

Details of secondary geographical segments for individual markets outside India are not disclosed as the same do not account for more than 10% of the total segment revenues or results or assets.

20. STATEMENT PURSUANT TO EXEMPTION GRANTED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2011.

Amount ₹

Name of Subsidiary	Titan TimeProducts Ltd	Titan Properties Ltd	Tanishq (India) Ltd
(a) Share Capital	1,90,00,000	33,50,200	1,93,13,190
(b) Reserves	4,83,24,258	5,58,70,218	6,80,64,024
(c) Total Assets	13,04,73,100	8,02,16,842	8,74,34,789
(d) Total Liabilities	6,31,48,842	2,09,96,424	57,575
(e) Income	22,90,53,736	5,41,45,915	51,90,533
(f) Profit before tax	1,15,98,330	2,55,03,524	48,74,916
(g) Taxes	43,36,771	84,72,000	18,90,692
(h) Profit after tax	72,61,559	1,70,31,524	29,84,224
(i) Proposed Dividend	Nil	Nil	Nil

21. a) Figures pertaining to subsidiary companies have been reclassified, where necessary, to bring them in line with the parent company's financial statements.

b) The figures of the previous year have been regrouped / recast, where necessary, to conform to the current year's classification.

Signature to Schedule "A" to "J"
For and on behalf of the Board of Directors

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
Head-Legal & Company Secretary

Debendranath Sarangi Chairman

Ishaat Hussain
C.G.Krishnadas Nair
Rajeev Ranjan
N N Tata
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar
Directors

Mumbai, 29 April 2011

TITAN INDUSTRIES LIMITED

Regd. Office: 3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126

ATTENDANCE SLIP

(To be presented at the entrance)

27TH ANNUAL GENERAL MEETING ON THURSDAY, JULY 28, 2011 AT 3:00 P.M.

at 3, SIPCOT Industrial Complex, Hosur 635 126

Folio No. .... DP ID No. .... Client ID No. ....

Name of the Member: .... Signature: ....

Name of the Proxyholder: .... Signature: ....

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

TITAN INDUSTRIES LIMITED

Regd. Office: 3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126

PROXY

I/We .... of .... in the district of ....

being a member(s) of the above named Company, hereby appoint ....

of .... in the district of .... or failing him/her .... of

.... in the district of .... as my/our proxy

to attend and vote for me/us and on my/our behalf at the Twentyseventh Annual General Meeting of the Company to be held on Thursday, July 28, 2011 at 3:00 p.m. at 3, SIPCOT Industrial Complex, Hosur 635 126 and at any adjourment thereof.

Folio No. .... DP ID No. .... Client ID No. ....

No. of shares held ....

Signed this .... day of .... 2011.

Signature

Affix
15 Paise
Revenue
Stamp

This form is to be used ** In favour of / ** against the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

** Strike out whichever is not desired.

NOTES:
1. This Proxy must be lodged with the Company at its Registered Office at 3, SIPCOT Industrial Complex, Hosur 635 126, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.

Dematerialise your Physical Shares to Electronic Form

- Eliminate all risks associated with Physical Shares.
- Ease in Portfolio Management.

Contact our Registrars and Transfer Agents, TSR Darashaw Ltd., Mumbai (Tel no.: 022-6656 8484) for assistance.

<u>Procedure for Dematerialisation of Shares</u>

- Open Beneficiary Account with a Depository Participant (DP) registered with SEBI.
- Submit Dematerialisation Request Form (DRF) as given by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the concerned certificate(s).


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TITAN INDUSTRIES LIMITED
3, SIPCOT Industrial Complex, Hosur 635 126

Titan and Helios Store, South Extension, Delhi.