TITAN
COMPANY

30th ANNUAL REPORT

2013 -2014

Titan Company Limited

Board of Directors

C.V. Sankar, *(Chairman from 16th June 2014)*
Hans Raj Verma, *(Chairman and Director upto 16th June 2014)*
N.S. Palaniappan, *(upto 31st October 2013)*
T.K. Arun
Bhaskar Bhat, *(Managing Director)*
Ishaat Hussain
N.N. Tata
T.K. Balaji
C.G. Krishnadas Nair
Vinita Bali
Hema Ravichandar
Das Narayandas
Ireena Vittal

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, Tamil Nadu
(CIN: L74999TZ1984PLC001456)

CORPORATE OFFICE

132/133, Divyashree Technopolis,
Yemalur, off Old Airport Road,
Bangalore - 560 037

REGIONAL OFFICES:

East : 22, Camac Street, Block-B, 4th Floor, Kolkata 700 018
West : The Metropolitan, East Wing, 9th Floor, C 26/27, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
North : 213A, Okhla Inudstrial Estate, Phase-3, New Delhi 110 020
South : 132/133, Divyashree Technopolis, Yemalur, off Old Airport Road, Bangalore - 560 037

REGISTRAR & TRANSFER AGENTS

TSR Darashaw Pvt. Ltd
Unit : Titan Company Ltd,
6-10, Haji Moosa Patrawla Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi,
Mumbai 400 011
e-mail: csg-unit@tsrdarashaw.com
website: www.tsrdarashaw.com

CONTENTS

Annual General Meeting
Friday, 1st August 2014 at 3:00 p.m.
at 3, SIPCOT Industrial Complex, Hosur 635 126

Notice

Notice is hereby given pursuant to section 96 of the Companies Act, 2013 (the "Act") that the Thirtieth Annual General Meeting ("the Meeting") of TITAN COMPANY LIMITED ("the Company") will be held at the Registered Office of the Company at 3, SIPCOT Industrial Complex, Hosur 635 126, on Friday, 1st August 2014 at 3 P.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, 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 2014.
3. To appoint a Director in place of Mr. N.N. Tata (DIN: 00024713), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. T.K. Arun (DIN: 02163427), who retires by rotation and is eligible for re-appointment.
5. Appointment of Auditors:

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

   "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and such other applicable provisions, M/s. Deloitte Haskins & Sells (ICAI registration number 008072S), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33rd Annual General Meeting, subject to ratification in every Annual General Meeting till the year 2016-17, to audit the accounts of the Company for the financial years 2014-15 to 2016-17, on such remuneration as may be agreed upon between the Auditors and the Board of Directors."

SPECIAL BUSINESS

6. **Appointment of Mr. T.K. Balaji as an Independent Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T.K. Balaji, (DIN 00002010), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019."

7. **Appointment of Dr. C.G. Krishnadas Nair as an Independent Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. C.G. Krishnadas Nair, (DIN 00059686), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office from 1st August 2014 up to 16th August 2016."

8. **Appointment of Ms. Vinita Bali as an Independent Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Vinita Bali, (DIN 00032940), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019."

9. **Appointment of Mrs. Hema Ravichandar as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Hema Ravichandar, (DIN 00032929), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019."

10. **Appointment of Prof. Das Narayandas as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Prof. Das Narayandas, (DIN 03518031), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019."

11. **Appointment of Mrs. Ireena Vittal as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Ireena Vittal, (DIN 05195656), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019."

12. **Appointment of Mr. C.V. Sankar as a Director**

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

"RESOLVED THAT Mr. C.V. Sankar, IAS who was appointed as a Director by the Board of Directors with effect from 31st October 2013 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 160 of the Companies Act, 2013 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."

13. **Ratification of Cost Auditors' remuneration**

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 10 lakhs plus service tax and out-of-pocket expenses payable to M/s. T P P & Associates, who are appointed as Cost Auditors (Membership No.10320) of the Company to conduct Cost Audits for the year ending 31st March, 2015."

14. **Appointment of Branch Auditors**

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

"RESOLVED THAT pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor and to fix their remuneration."

15. **Increase in the limit of FIIs holding up to 35%**

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of the Foreign Exchange Management Act, 1999, the Foreign

Exchange Management (Transfer or Issue of Security by a Person resident outside India) Regulations, 2000, as amended read with Schedule 2 thereof regarding purchase/sale of shares/convertible debentures of an Indian Company by a registered Foreign Institutional Investors (FIIs) under Portfolio Investment Scheme ("PIS") and other applicable provisions, if any, of Foreign Exchange Management Act, 1999 (including any amendment to or re-enactment thereof), the provisions of Memorandum and Articles of Association of the Company, and the provisions of any other applicable law/s, and subject to the approval of the Government of India, Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Foreign Investment Promotion Board ("FIPB") or any other regulatory authority/institutions, as may be necessary, and subject also to the consents, permissions and sanctions of such other appropriate authorities, institutions or bodies, whether in India or abroad, as may be necessary, and also subject to such policies, notifications, clarifications, regulatory framework of the government as may be in force from time to time; consent, authority and approval of the Company be and is hereby accorded for raising the ceiling of 24% of the total paid up equity share capital of the company on investments in securities by Foreign institutional Investors (FIIs), to 35% of the paid up equity share capital of the company subject to the condition that the holding of any single FII or each SEBI approved sub-account of a FII or the concerned FII group does not exceed 10% of the paid up equity share capital of the company or such limits as are or may be prescribed, from time to time, under applicable laws, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee to which the Board may have delegated all or any of its powers) be and is hereby authorized to take all such actions/steps as may be necessary, desirable or expedient, including, if required, to accept such conditions and modifications, stipulated by any relevant authorities, as the Board may consider necessary, and to resolve and settle all questions and difficulties that may arise, and, to do all acts, deeds, matters and things which are incidental and consequential, as the Board may at its absolute discretion deem necessary or desirable for such purposes and, to execute such documents or writings as the Board may consider necessary or proper or incidental to give effect to this resolution."

Notes:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 6 to 15 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment at the Annual General Meeting as Directors under item nos. 3, 4, 6-12 of the Notice are also annexed.

2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A Proxy is not entitled to vote except on a poll. A Proxy form is sent herewith. The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 17th July 2014 up to Friday, 1st August 2014 (both days inclusive).

4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR Darashaw Private Limited (TSRDPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDPL.

5. Subject to the provisions of Section 126 of the Companies Act, 2013 dividend on equity shares as recommended by the Directors, if declared at the Meeting, will be paid on 8th August 2014 to those members whose names appear on the Register of Members of the Company as on 17th July 2014. In respect of shares held in electronic form, dividend will be paid to the beneficial holders as per the beneficiary list provided by the National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 17th July 2014.

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

7. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or TSRDPL, for assistance in this regard.

8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRDPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nominations is available to the shareholders in respect of the equity shares held by them.

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

    BSE 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 2014-15.

12. Members are requested to intimate 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 Company Limited, No. 132/133, Divyashree Technopolis, Yemalur, off Old Airport Road, Bangalore 560037. (e-mail: arrajaram@titan.co.in) Members are requested to bring their copies of Annual Report to the Meeting.

13. 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:

    A. Jayanagar - Ashok Pillar, 1st Block, Siddapura Police Station Road, Bangalore - 560 011.

    B. Rajajinagar - near ISKCON temple, Opp. Varasidhi Vinayaka Temple, Government School Grounds, Bangalore- 560 010.

    C. Golden Palm Station, near BRV theatre, Bangalore-560 001.

    D. i. Corporate Office – 132/133, Divyashree Technopolis, Yemalur, off Old Airport Road, Bangalore - 560 037.

       ii. At 1.30 pm. from Golden Enclave, Next to Britannia Gardens, Old Airport Road, Bangalore 560 017.

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

15. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

    Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/ unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2014, nor shall any payment be made in respect of such claim.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their dematerialised account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company.

18. Electronic copy of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and

manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

19. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.titan.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hosur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@titan.co.in.

20. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDPL / Depositories.

21. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

    The instructions for e-voting are as under:

    A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

        i. Open the e-mail and also open PDF file namely "TCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

        ii. Open the internet browser and type the following URL: https://www.evoting.nsdl.com.

        iii. Click on Shareholder – Login.

        iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

        v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.

        vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

        vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.

        viii. Select "EVEN" (E-Voting Event Number) of Titan Company Limited which is 100380. Now you are ready for e-voting as Cast Vote page opens.

        ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

        x. Upon confirmation, the message "Vote cast successfully" will be displayed.

        xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

        xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vijaykt@vjkt.in, with a copy marked to evoting@nsdl.co.in.

        xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

    B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

        i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.

        ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

    C. Other Instructions:

        i. The e-voting period commences on Thursday, 24th July, 2014 (9.00 a.m. IST) and ends on Saturday, 26th July, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 17th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 17th July, 2014.

iii. Mr. Vijayakrishna K T, Practicing Company Secretary (Membership No. FCS 1788), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Company, Mr. Vijayakrishna K T, Practicing Company Secretary (Membership No. FCS 1788), C/o TSR Darashaw Private Limited, No. 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 not later than Saturday, 26th July, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor@titan.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Saturday, 26th July, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.titan.co.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the thirtieth AGM of the Company on 1st August, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors,

Date: 27th June 2014

A R Rajaram
Head-Legal and Company Secretary

Registered Office:

3, SIPCOT Industrial Complex
Hosur 635 126

Corporate Identification Number (CIN): L74999TZ1984PLC001456

Annexure to Notice

Pursuant to section 102 of the Companies Act, 2013, (the "Act") the following explanatory statement sets out all material facts relating to the business mentioned under item Nos. 6 to 15 of the accompanying Notice.

Item Nos. 6 to 11

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. T. K. Balaji, Dr. C. G. Krishnadas Nair, Ms. Vinita Bali, Mrs. Hema Ravichandar, Professor Das Narayandas and Mrs. Ireena Vittal as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Remuneration and Nomination Committee has recommended the appointment of these directors as Independent Directors from August 1, 2014 up to July 31, 2019 (except Dr. C. G. Krishnadas Nair who retires on August 16, 2016 in accordance with the retirement age policy for Directors of the Company).

Mr. T. K. Balaji, Dr. C. G. Krishnadas Nair, Ms. Vinita Bali, Mrs. Hema Ravichandar, Professor Das Narayandas and Mrs. Ireena Vittal, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. T. K Balaji joined the Board of Directors of the Company on 1st March 1986. Mr. Balaji is a graduate in Mechanical Engineering and an alumnus of IIM, Ahmedabad and is presently the Chairman & Managing Director of Lucas TVS Limited. Mr. Balaji is the Past President of ACMA and had served as a Member of National Council of the CII for a number of years. He was a Member of the Development Council for Automobiles & Allied Industries, Government of India.

Dr. C. G. Krishnadas Nair joined the Board of Directors of the Company on 2nd May 2002. Dr. Nair is a B.Tech from IIT Chennai and holds Masters and PhD in Engineering from University of Sask, Canada. Dr. Nair is a former Chairman of Hindustan Aeronautics Limited. He is the Chancellor of International Institute for Aerospace Engineering Management and founded the Society of Indian Aerospace Technologies & Industries (SIATI). He has authored several books in Engineering Technology and Management and has published over 200 Research & Technology and Management papers in National and International journals.

Ms. Vinita Bali joined the Board of Directors of the Company on 18th October, 2006. Ms Bali is a global business leader with extensive experience in leading large Companies both in India and overseas. Effective April 2014, Ms. Bali is pursuing her interests in the corporate and development sectors, through a portfolio of roles and responsibilities. She is a Non-Executive Director on the global Boards of Syngenta International AG, Global Alliance for Improved Nutrition (GAIN) and the Advisory Board of Cornell University's Department of Nutritional Science. She also serves on the Advisory Board of The World Gold Council.

Mrs. Hema Ravichandar joined the Board of Directors of the Company on 30th March 2009. Mrs. Ravichandar is an alumnus of the Indian Institute of Management, Ahmedabad and a Strategic HR Advisor with over 30 years of industry experience advising several Indian and multinational corporations and is on the Board of several companies. Mrs. Ravichandar until 2005 was the Senior Vice-President and Global Head of Human Resources for Infosys Technologies Limited. In this capacity she designed and drove the HR agenda for Infosys globally, as it scaled up from 250 employees in 1992 to 40,000 employees in 2005. Under her HR Leadership, Infosys won several 'Best Employer of the Year' awards in India and was placed in Top 100 rankings overseas.

Prof Das Narayandas joined the Board of Directors of the Company on 29th April 2011. Prof. Das Narayandas is the James J. Hill Professor of Business Administration at theHarvard Business School. He is currently the Senior Associate Dean, Chair, HBS Executive Education and Publishing. His academic credentials include a Bachelor of Technology degree in Engineering from theIndian 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.

Mrs. Ireena Vittal joined the Board of Directors of the Company on 30th January 2013. Mrs. Ireena Vittal is an independent strategic advisor, with significant knowledge in agriculture and urban development in India and emerging markets. Mrs. Vittal holds a B.Sc. in Electronics from Osmania University and a PGDM from IIM, Calcutta and has co-authored several studies relating to agriculture and urbanization. Mrs. Vittal served as a Partner with McKinsey & Co., was a founding member of their economic development practice and the global emerging-markets practice.

Mr. T. K. Balaji, Dr. C. G. Krishnadas Nair, Ms. Vinita Bali, Mrs. Hema Ravichandar, Professor Das Narayandas and Mrs. Ireena

Vittal, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 6 to 11 of the accompanying Notice relating to their own appointment. None of the other Directors or Key Managerial Personnel or their respective relatives is concerned or interested in these items of business.

Item No.12

Mr. C. V. Sankar, I.A.S was appointed as an Additional Director of the Company by the Board of Directors on 31st October, 2013. As such, Mr. Sankar holds office as Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member indicating his intention to propose Mr. C.V. Sankar for the office of Director at the forthcoming Annual General Meeting.

Mr. C.V. Sankar, I.A.S serves as the Principal Secretary of Industries Department for Government of Tamilnadu.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives other than Mr. C.V. Sankar is concerned or interested in the Resolution mentioned at Item No.12 of the Notice.

Item No.13

The Company is required under section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. T P P & Associates (Membership No.- 10320) as the Cost Auditors of the Company to conduct cost audits of the Company for the year ending 31st March, 2015, at a remuneration of Rs. 10 lakhs plus service tax and out-of-pocket expenses.

M/s. T P P & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board commends the remuneration of Rs. 10 lakhs plus service tax and out-of-pocket expenses to M/s. T P P & Associates as the Cost Auditors and the approval of the shareholders is sought for the same by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.13 of the Notice.

Item No.14

The Company has branches outside India and may also open/ acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches.

The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration payable to branch auditors.

The Board commends the Resolution at Item No.14 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution at Item No.14 of the Notice.

Item No. 15

As per the provision of Regulation 5(2) of Foreign Exchange Management (Transfer or Issue of Security by a Person resident outside India) Regulations, 2000 read with schedule 2 thereof regarding purchase/sale of shares/convertible debentures of an Indian Company by a registered Foreign Institutional Investors (FIIs) under Portfolio Investment Scheme ("PIS"), the aggregate of holding of the shares and/or convertible debentures of an Indian Company by the registered FIIs shall not exceed 24% of the paid up equity capital and / or paid up value of each series of convertible debentures and the individual limit shall not exceed 10%.

The Board of Directors of the company at its meeting held on 29th January 2014 inter-alia passed a resolution, subject to the approval of members by way of a Special Resolution, to enhance the said FII investment limit from 24% to 35% of the paid up Equity Capital considering the interest of the registered FIIs in the shares of the Company in the Stock Exchanges and to facilitate future fund raising initiatives for funding the projects in pipeline.

The Board of Directors accordingly recommend the resolution in the accompanying notice for the approval of the members. However, the increase shall be effected only in terms of the policies and procedures of the Government, prevailing from time to time, in this regard, and, if necessary with the approval/s of the RBI/ Government.

None of the Directors or Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution at Item No.15 of the accompanying Notice.

By Order of the Board of Directors,

Date: 27th June 2014

A R Rajaram
Head-Legal and Company Secretary

Registered Office:

3, SIPCOT Industrial Complex
Hosur 635 126

Corporate Identification Number (CIN): L74999TZ1984PLC001456

Details of Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) (Directorship and Committee Membership other than Titan Company Limited)

Particulars	Mr. T.K. Balaji	Dr. C . G. Krishnadas Nair	Mrs. Hema Ravichandar	Ms. Vinita Bali	Prof. Das Narayandas
Date of Birth	12th July 1948	17th August 1941	14th May 1961	11th November 1955	18th May 1960
Date of Appointment	1st March 1986	2nd May 2002	30th March 2009	8th October 2006	29th April 2011
Qualifications	Bachelor's Degree in Mechanical Engineering with First Rank from Madras University. Gold medalist alumnus of Indian Institute of Management- Ahmedabad.	B. Tech (IIT Chennai); Masters and Ph.D in Engineering, University of Sask , Canada	B.A. Economics, Post Graduate Diploma in Business Management, Indian Institute of Management –Ahmedabad.	Bachelor's Degree in Economics from Lady Shri Ram College for Women, Delhi University MBA from Jamnalal Bajaj Institute of Management Studies	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.
Expertise in specific functional areas	Mr. T.K. Balaji is the Chairman & Managing Director of Lucas-TVS Limited and Managing Director of Delphi-TVS Diesel Systems Limited. Mr. Balaji has vast experience in management of industrial enterprises and was a Member of the Development Council for Automobiles & Allied Industries, Government of India. He is a Past President of ACMA and has served as a Member of the National Council of CII for a number of years and was conferred a special award by the FIE Foundation of Maharashtra for his contribution to the Auto Component Industry.	Dr. C.G. Krishnadas Nair is a former Chairman of Hindustan Aeronautics Limited, who transformed it into a globally competent aerospace industry through long term strategic plan with strong R&D, diversification, export, industry academy interaction and work culture based on ethics and team work with 10 fold increase in business and substantial profits. Dr. Nair founded the Society of Indian Aerospace Technologies & Industries (SIATI), with a mission to develop Private Sector Industries, particularly SMEs as R&D and Innovation Partners for aerospace & defense Industry, and for growth through International Co-operation.	Mrs. Hema Ravichandar is a Strategic HR Advisor with over 30 years of industry experience. She currently advises several Indian and multinational corporations and is on the Board of several companies. Mrs. Ravichandar has won several awards and accolades including three HR Professional of the Year Awards and listings amongst the "25 Most Powerful Women in India" and "Successful Women Professionals in IT". She has held positions in industry bodies and also served on several juries.	Ms. Vinita Bali is a global business leader with extensive experience in leading large Companies in India and overseas in a variety of marketing and general management roles. Effective April 2014, Ms. Bali stepped out of her full time role as MD of Britannia Industries Ltd to pursue her interests in the corporate and development sectors, through a portfolio of roles and responsibilities, both in India and overseas.	Prof. Das Narayandas is the James J. Hill Professor of Business Administration at the Harvard Business School. He is currently the Senior Associate Dean, Chair, HBS Executive Education and Publishing.
Directorships held in other companies (excluding foreign companies)	i. India Nippon Electricals Ltd ii. Lucas TVS Ltd iii. Delphi - TVS Diesel Systems Ltd iv. Lucas India Service Ltd v. T V Sundaram Iyengar & Sons Ltd. vi. Sundaram Clayton Ltd vii. TVS Automotive Systems Ltd viii. Sundaram Investment Ltd ix. TVS Credit Services Ltd x. India Japan Lighting Pvt. Ltd xi. Punarvasu Swasthi Pvt. Ltd xii. Hastham Swasthi Pvt. Ltd xiii. Harita Electronics Pvt. Ltd.	i. Tata Advanced Materials Ltd ii. Global Vectra Helicorp Ltd iii. Sika Interplant Pvt. Ltd. iv. EMSAC Engg Pvt. Ltd. v. Sika Tourism Pvt. Ltd. vi. Brahmos Aerospace Thiruvananthapuram Ltd. vii. Titan Timeproducts Ltd	i. Marico Ltd ii. Feedback Business Consulting Services Pvt. Ltd.	i. Piramal Glass Ltd ii. The Bombay Dyeing and Manufacturing Company Ltd iii. Bombay Burmah Trading Corporation Ltd iv. Crisil Ltd v. Go Airlines (India) Ltd.	NIL
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	Audit Committee: i. Sundaram-Clayton Ltd - Member Shareholder Grievance Committee: i. Sundarim-Clayton Ltd - Member ; ii. India Nippon Electricals Ltd – Chairman	NIL	Audit Committee: Marico Ltd - Member	Shareholder Grievance Committee: i. Piramal Glass Ltd. – Member	NIL
Number of shares held in the company	5,61,000	NIL	NIL	NIL	NIL

Details of Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) (Directorship and Committee Membership other than Titan Company Limited)

Particulars	Mrs. Ireena Vittal	Mr. T.K. Arun	Mr. N.N. Tata	Mr. C.V. Sankar
Date of Birth	2nd October 1968	17th October 1959	12th November 1956	2nd July 1956
Date of Appointment	30th January 2013	31st July 2012	7th August 2003	31st October 2013
Qualifications	B.Sc. in Electronics from Osmania University and a Post Graduate Diploma in Management from Indian Institute of Management, Calcutta.	Bachelor's Degree in Commerce. Associate Member of Institute of Company Secretaries of India.	B.A (Economics) from University of Sussex, IEP, INSEAD, France	Post Graduation in Commerce ; M.B.A
Expertise in specific functional areas	Mrs. Ireena Vittal is an independent strategic advisor with an indepth and significant knowledge in agriculture, urban development in India and emerging markets. She has co-authored several studies relating to agriculture and urbanization. Mrs. Vittal has served as a Partner with McKinsey & Co., was a founding member of their economic development practice and the global emerging-markets practice.	Proficient in matters of Law, Finance, Administration, Public Private Partnerships for infrastructure projects and arbitration.	Mr. Tata oversaw the growth of Westside and other Trent formats from one-store operation in 1998 to over a hundred stores in 2012. He took over as the Managing Director of Tata International Limited in August 2010 which is a global trading and distribution company with presence in leather products, metals trading, minerals trading and agri trading with a consolidated revenue of Rs.10,450 crores in 2013-14 from Rs.2,630 crores in 2010-11 and employing over 10,000 personnel spanning 39 countries across Africa, Asia, Europe, Latin America and Middle East.	Presently holding charge of Principal Secretary to the Government of Tamil Nadu, Industries Department. Has held various responsibilities in the State Government including District Collector, Coimbatore, Secretary in the office of the Chief Minister, Department of School Education and Principal Secretary in the Department of Environment & Forests and Department of Rural Development & Panchayat Raj. Was involved in the Tsunami Rehabilitation Programme of Government of Tamil Nadu between 2005 and 2008 and was working in the National Disaster Management Authority, New Delhi for implementing the National Cyclone Risk Mitigation Project, a World Bank Funded project.
Directorships held in other companies (excluding foreign companies)	i. Axis Bank Ltd ii. Wipro Ltd iii. Tata Global Beverages Ltd iv. Indian Hotels Company v. Godrej Consumer Products Ltd.	i. Sree Maruthi Marine Industries Ltd; ii. Tamilnadu Petroproducts Ltd; iii. Manali Petrochemicals Ltd; iv. Southern Petrochemical Industries Corporation Ltd; v. Cheslind Textiles Ltd; vi. Ascendas IT Park (Chennai) Ltd; vii. Tanflora Infrastructure Park Ltd; viii. TIDEL Park Ltd; ix. Tamilnadu Road Development Company Ltd; x. Titan TimeProducts Ltd; xi. DLF Info Park Developers (Chennai) Ltd;	i. Voltas Ltd ii. Tata Investment Corporation Ltd iii. Kansai Nerolac Paints Ltd iv. Trent Hypermarket Ltd v. Trent Ltd vi. Retailers Association of India vii. The Cricket Club of India Limited(Representative of Sir Dorabji Tata Trust on the Executive Committee) viii. Tata International Limited ix. Drive India Enterprise Solutions Limited x. Bachi Shoes Limited xi. Massimo Dutti India Private Limited xii. Inditex Trent Retail India Private Limited	1. State Industries Promotion Corporation of Tamil Nadu Ltd. 2. Tamilnadu Sugar Corpn.Ltd. 3. Tamil Nadu Salt Corpn.Ltd. 4. Tamil Nadu Petro Products Ltd. 5. Tamil Nadu Minerals Ltd. 6. Tamil Nadu Newsprint & Papers Ltd. 7. Tamil Nadu Industrial Development Corpn.Ltd. 8. Neyveli Lignite Corpn.Ltd. 9. Tamilnadu Electricity Board 10. Tamil Nadu Generation and Distribution Corporation Ltd. 11. Tamil Nadu Transmission Corporation Limited 12. TIDEL Park Limited 13. Tamilnadu Cements Corpn.Ltd. 14. Tamil Nadu Water Investment Company
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	Audit Committee: i. Wipro Ltd. - Member ; ii. Godrej Consumer Products Ltd. - Member. iii. Tata Global Beverages Ltd.- Member	Audit Committee: i. Tamilnadu Petroproducts Ltd - Member ; ii. Manali Petrochemicals Ltd. - Chairman ; iii. Cheslind Textiles Ltd. - Member ; iv. Southern Petrochemical Industries Corporation Ltd. - Member; Shareholder Grievance Committee: i. Tamilnadu Petroproducts Ltd. - Member ; ii. Cheslind Textiles Ltd. - Member ; iii. Southern Petrochemical Industries Corporation Ltd. - Member.	Audit Committee: i. Trent Ltd - Member ii. Trent Hypermarket Ltd - Member iii. Kansai Nerolac Paints Ltd - Member Shareholder Grievances Committee: i. Voltas Ltd – Chairman ii. Kansai Nerolac Paints Ltd – Member-Stakeholders Relationship Committee	NIL
Number of shares held in the company	NIL	NIL	46,900	NIL

Directors' Report

To the Members of Titan Company Limited

The Directors are pleased to present the **Thirtieth Annual Report** and the Audited Statement of Accounts for the year ended 31st March 2014:

Financial Results

₹ in crores

	2013-2014	2012-2013
Sales Income	10955.14	10206.36
Other Income	120.19	100.77
Total Income	11075.33	10307.13
Less: Excise Duty	39.35	93.69
Net Income	11035.98	10213.44
Expenditure	9867.35	9102.04
Gross profit	1168.63	1111.40
Finance Costs	87.11	50.64
Cash operating profit	1081.52	1060.76
Depreciation / Amortisation	65.59	54.49
Profit before taxes	1015.93	1006.27
Income taxes - Current	263.00	285.35
- Deferred	(1.31)	(4.26)
Profit after taxes for the year	754.24	725.18
Less: Income tax of earlier years	13.10	-
Net Profit	741.14	725.18
Opening balance in the Statement of Profit and Loss	831.39	636.19
Appropriations:		
Proposed dividend on equity shares	186.44	186.44
Tax on dividends	31.68	31.68
Transfer to general reserve	415.70	318.10
Net surplus in Statement of Profit and Loss	938.71	825.15

The year 2013-14 was one of the toughest years for the Indian economy with the GDP growth falling below 5%. The Indian Rupee weakened considerably during the year before recovering towards the end of the financial year. The Reserve Bank of India initiated measures to contain the Current Account Deficit by increasing the customs duty on gold and suspending credit on gold imports for domestic consumption.

In 2013-14, the Company's sales income grew ₹ 748.78 crores, an increase by 7.34% to ₹ 10,955.14 crores compared with ₹ 10,206.36 crores in the previous year. Profit before tax grew by ₹ 9.66 crores from ₹ 1,006.27 crores to ₹ 1,015.93 crores and the net profit grew by 2.20% to ₹ 741.14 crores.

The year 2013-14 was a challenging one for the Watches Segment which grew by 6.9% to ₹ 1,790.80 crores. The slow down in the economy led to consumer sentiment remaining subdued during the year. This reflected in the moderate growths recorded by most of the Company's brands. The retail growth in the Multi Brand Outlet channel has been lower than the growth seen in the World of Titan and the Fastrack stores.

The Company's Jewellery Division had the most challenging time, hit by a very adverse regulatory and macro economic environment, and managed to grow by 6.5% to ₹ 8,632.03 crores. Customer sentiments were affected by inflation, uncertain economic conditions and the significant movements in gold rate, resulting in poor walk-ins, which was more pronounced during the second half of 2013-14.

The Government and the Reserve Bank of India also initiated a slew of measures to contain the Current Account Deficit by increasing the customs duty on gold, discontinuation of credit on gold imports and importantly, restricting the quantity of gold imported by relating it to the quantum of gold exports. This resulted in severe supply constraints and consequently a sharp increase in gold prices in India compared to global rates as premium on gold purchased in India rose significantly.

The suspension of credit on gold purchases resulted in the Company resorting to borrowings to meet the working capital requirements of the Jewellery division. Consequent to the ban on Gold on lease facility by RBI, the Company also could not take advantage of a 'natural hedge' of gold rate provided by the Gold on Lease scheme and therefore had to hedge the gold price risk through the Commodity Exchanges. However, due to certain constraints in the Commodity Exchanges such as non-availability of longer term contracts and constraints in obtaining a higher hedging limit, the Company approached the Reserve Bank of India for 'off shore' hedging of gold. RBI had considered the Company's request favorably and has granted their approval for the 'off shore' hedging. The Company is currently working on putting in place the process to implement the off shore hedging in consultation with its bankers.

The revenues of the Company's Eyewear, Accessories and Precision Engineering Divisions cumulatively grew by 20.7% to ₹ 499.79 crores.

Eyewear business grew the network by 72 stores to 280 in all and recorded growth of 17% in like to like stores.

The year witnessed expansion of the Company's retail network with a net addition of 125 stores (1.80 lakh sq. ft.) across watches, jewellery and eyewear businesses. As at 31st March 2014, the Company had 1078 stores with over 1.45 million sq. ft. of retail space.

The Precision Engineering Division (PED) also continued its momentum during the year despite a challenging economic environment both within India and outside.

During the year, significant investments were made in the manufacturing facilities of Watches, Jewellery and Precision Engineering Division.

International Operations

The Company achieved exports of ₹ 220.39 crores during the year under review comprising watches and precision engineered components registering a growth of 11.70% over the previous year.

The Company achieved Watches exports of ₹ 123.09 crores, marginally crossing previous year's turnover, which reported good profits on the back of good control on costs and favourable exchange gains.

The international markets for watches witnessed tough retail sentiments on account of political, economical and social fluctuations across Middle East, SAARC and South East Asian countries. However, investments in brand initiatives including changing the retail landscape continued unabated. Distribution of watches forayed into two new markets, Philippines and Indonesia, while the Company entered Nigeria, the largest country in African continent.

Precision Engineering Division's (PED) exports grew by 23.52% in 2013-14. The export revenue constituted 50% of the total revenue of PED. The business of PECSA, a contract manufacturing facility of PED grew substantially. The Aerospace, Oil & Gas & Engineering customers from USA almost doubled their off take. PECSA also added few new customers in the Aerospace segment which have been awarded profitable orders. Machine Building and Automation (MBA), another business of PED grew export revenue to 30 % of the MBA's total income of ₹ 100 crores. Special Purpose Machines (Latch Assembly Line, Blood Bag Assembly, Miniature Circuit Breaker Lines) were supplied to customers located in France, Romania and Indonesia.

Dividend

The Directors are pleased to recommend the payment of dividend on equity shares at the rate of 210% (₹ 2.10 per equity share), subject to approval by the shareholders at the Annual General Meeting (AGM).

Finance

Consequent to the ban on gold on lease by RBI, the Company resorted to borrowings during 2013-14 and the borrowings as at 31st March 2014 was ₹ 806.27 crores. Borrowings during the year were raised from banks and from issue of commercial paper. Borrowings of ₹ 5.42 crores were repaid during the year. The Company incurred ₹ 208.79 crores as capital expenditure in respect of refurbishment and expansion programmes at manufacturing facilities and retail outlets, IT hardware systems and land for new Corporate office.

As on 31st March 2014, there were no fixed deposits held by the Company from the public, shareholders and employees other than unclaimed deposits amounting to ₹ 0.04 crore.

An amount of ₹ 415.70 crores was transferred to the general reserve.

During the year under review, the Company made payments aggregating ₹ 973.78 crores by way of taxes (central, state and local) and duties as against ₹1112.86 crores in the previous year.

Subsidiaries

As on 31st March 2014, the Company had the following subsidiaries:

1) Titan TimeProducts Ltd., Goa

2) Favre Leuba AG, Switzerland

In 2013-14, Titan TimeProducts Limited sold 4.87 million (2012-13: 8.12 million) electronic circuit boards with a net loss of ₹282.36 lakhs (2012-13: net profit ₹99.89 lakhs).

As at 31st March 2014, Favre Leuba AG had registered a loss of CHF 0.61 million, i.e. ₹ 360.87 lakhs (2012-13: CHF 0.06 million i.e. ₹ 34.25 lakhs) which primarily represents amortization of trademarks design and development expenses. Neither of these companies declared a dividend in 2013-14.

The annual accounts of these subsidiary companies were consolidated with the accounts of Titan Company Ltd for 2013-14.

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 section 212(8) from attaching the documents referred to in section 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 approved 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. The same will also be available on the Company's web-site www.titan.co.in

Consolidated Financial Statements

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

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this Report.

Awards and Recognition

The Company's brands Tanishq and Fastrack won medals at the Effies Awards. Tanishq had entered four of its marketing campaigns and all the entries had won an award each. Fastrack won the Bronze for the best ongoing campaign for Move On. This achievement furthers the Company's status as an iconic brand within the marketing fraternity.

The Company's brand Fastrack is placed 4th and Titan is placed 16th in the list of most exciting brands in India in the survey conducted by A C Nielsen and the Economic Times (Brand Equity).

The Company was declared the winner in the Individual Category "Loyalty Team of the Year" at the 7th Loyalty Summit, wherein the loyalty practioners/companies/people are recognized by the Industry. The nomination received was researched and thoroughly evaluated by 'Leapridge Consultants Ltd.'

The Company's initiatives and performance were recognized across various platforms. The Company received recognition from prestigious Holmes Report for the Millennial Paradox campaign (a discussion forum designed to research, debate and develop insights into India's 21-35 year-old communities, the so-called millennial generation). The Campaign was shortlisted among top 3 campaigns for the SABRE awards in 2013, the world's largest awards competition for the public relations industry.

The Company was awarded the "Fabulous 50" company by Forbes Asia. Forbes Asia's "Fabulous 50" companies are the best of Asia Pacific's biggest publicly traded companies, with at least US$3 billion in annual revenue or market capitalization. Companies were selected from a pool of 1,220 companies and they are analyzed in several areas, including revenue, earnings, return on capital, share price movements and outlook. These 50 companies have solid financial track records coupled with great management and entrepreneurial skill.

The Company won two awards at the 25th Qimpro Convention on Quality and Innovation. The Jewellery Division won the Qimpro Best Prax Innovation award in Manufacturing, for their project on "FILIGREE CASTING".

The Titan Eye Plus won 3 TRRAIN (Trust for Retailers and Retail Associates of India - Regional Round) Awards. The TRRAIN is aimed at judging the finest, excellent and the most enduring customer service stories of retail associates in the industry and recognizes them as the Heroes of Customer Service, for going beyond the call of duty to create moments of sheer delight for their customers. Out of more than 4000 entries received by the TRRAIN Awards Jury, 5 entries had been shortlisted from Titan Eye Plus.

Tanishq Design Studio continued its winning spirit once again with two major recognitions – diamond studded collections INARA received the Design Omics Awards GOLD 2013 in the Product Design category. The Design Omics Award recognizes businesses that have incorporated strategic Design and creative solutions in various milestones of their journey and as a result, profited from it. Tanishq also bagged another design award called Asian Jewellery & Fashion Awards, Dubai in the Best Theme & Season Jewellery of the year for the MIA collection.

The Company was ranked No.1 in retail by Retail Asia-Pacific Top 500, 2013 - Awarded the Gold Award 2013 for the best retailer in India, and the Best of the Best Award 2013 for being among the top 5 retailers in the Asia-Pacific region.

The Red Dot design award was won by one of our designers from Design Studio for the "Best product design of the year – Watches and Jewellery" for his entry Edge Skeletal for 2014. This achievement by our Design Studio is unparalleled by any Indian Company and only a few companies and Brands all over the world can boast of winning Red Dot award in consecutive years.

The Company won five awards at the Tata Brand and Corporate Communicators Meet 2013. The Company was awarded Silver Effie award for an effective 360 degree campaign for Titan HTSE. Titan Signet won the award at the 6th AIMIA Loyalty Awards for the speciality store category. The Company has won IFT Fashion & Lifestyle Award 2013 for Tanishq.

Titan Company Limited –Watch & Accessories Division, Hosur bagged the CII award for Excellence in Energy management for the year 2013. The Division won the "Energy Efficient Unit" award in the Engineering sector category.

On International Women's day, 8th March 2014, 12 World Records were created by 377 of our women employees of the Company who were adjudicated and recorded in major 4 world record books (Elite World Records UK Private Limited, Asian Records Academy, Singapore, Indian Records Academy, Mumbai and Tamilan Book of Records, Chennai).

Particulars of Employees

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 addressed to arrajaram@titan.co.in

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

The Business Responsibility Report pursuant to Clause 55 of the Listing Agreement on the Company's corporate sustainability initiatives has been hosted on the Company's website as permitted by SEBI vide circular no. CIR/CFD/DIL/8/2012. As a green initiative, the said report is not included in the Annual Report. Any member interested in obtaining the Business Responsibility Report may write to the Company Secretary at the Registered Office of the Company or through e-mail addressed to arrajaram@titan.co.in.

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.

Auditors

Deloitte Haskins & Sells (DHS), Chartered Accountants (ICAI Regn. No. 008072S), who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty third AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Directors

Mr. N.N. Tata and Mr. T.K. Arun, Directors, retire by rotation and being eligible, have offered themselves for re-appointment. Members' attention is drawn to item in the Notice of AGM pertaining to the appointment of Mr. C.V. Sankar, IAS, as a Director of the Company, liable to retire by rotation.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. T.K. Balaji, Dr.C.G. Krishnadas Nair, Mrs. Hema Ravichandar, Ms. Vinita Bali, Prof. Das Narayandas and Mrs. Ireena Vittal as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from 1st April , 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

Acknowledgements

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

On behalf of the Board of Directors,

Hans Raj Verma
Chairman

6th May 2014

Registered Office:

3, SIPCOT Industrial Complex
Hosur 635 126

Annexure to the Directors' Report

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Watches and Accessories

The Company is setting up a new manufacturing plant at Coimbatore, Tamil Nadu to produce high end SS cases for Premium Segment. This plant is configured with many state of the art technologies from Linear Transfer Machines from Mikron, High Speed CNC milling, Customised Annealing from Kohnle, Cleaning from Durr (from Germany), Knuckle Joint Presses from AIDA, Spark and Wire Electrode Discharge Machines from Sodick (from Japan). To enhance the look and finish of these cases, various surface finishing processes are experimented and being established by engaging with an innovation oriented Indian entrepreneur. These processes would leverage the plant in the journey of becoming a world class manufacturing plant for stainless steel watch cases.

Continuing the automation journey in case manufacturing, the challenging press operations related to back cover was piloted successfully with an innovative integration of standard SCARA robot and in-house developed vision management system. This automation would eventually result in enhancing safety, eliminating the fatigue and leveraging the employee per capita productivity.

Capability development for High end Raga and higher thickness Fastrack cases by Hot forging and 3 axis machining (milling) process at Case plant – 45.0 lakhs investment.

Establishment and productionisation of variety of colours – Brown, Copper, IP Gun and antique finishes.

Full watch proto typing capacity enhancement and capability building.

Jewellery

The Jewellery Division has affiliated with a number of external consultants to bring new technologies into Jewellery Manufacturing. These technologies are aimed at providing the division with new capabilities and improve the operational efficiencies.

A new plant was inaugurated at Pantnagar for Studded Jewellery manufacturing at an overall area of 80,000 sq.ft. The plant has state-of-the-art technologies and world class facilities providing cost advantage in manufacturing.

Two Karigar Centres with a total built up area of 43,000 sq. ft. were inaugurated during the year at Hosur for Plain Gold Jewellery manufacturing. This setup is aimed at transforming the industry providing up-to-date technologies for the artisans involved in Jewellery making. The facility is installed with latest fume cupboards, scrubbers, two layered fire alarm system, fire back arresters, CCTV systems, 4 stage filtering water treatment plant providing a safe working environment for the artisans as well as the surroundings.

The Division has rolled out a number of automation projects in the manufacturing plant to improve the process efficiency and product quality. Some of these projects are Devesting Machine, Stone Bagging Machine and Automated Kitmarshall which are integrated with the production process. A new simplified process for special settings (nick) has been created and mechanization is underway.

Eyewear

Many initiatives have been taken in lens lab towards making new processes, products and designs. Convex curvature generation process has been introduced to make very high plus power lenses as a remedy for congenial cataracts that can happen at an early age as 6 months. State of the art progressive designs has been developed and introduced which can give much thinner and almost aberration free lenses. Lens cleaning processes has been developed where manual intervention has been completely avoided. Researches have been carried out in lens lab to make scratch free polymer lenses. Trials are being carried out to make new polymer materials which will be safer and easily biodegradable.

Many types of machinery had been procured towards carrying out different testing and analysis on lens coating and lens designs. They are a)contact angle measuring device, b)accelerated weathering testing, c)Bayer ratio testing, d)Phase measurement deflectometry, e) Spectrophotometer etc.

Precision Components & Sub-assembly (PECSA)

The Precision components & sub-assembly (PECSA) business has enhanced its capability in the following areas:

- Developed highly complex multi-axis machining of chassis' for Aerospace and Defence applications;
- Developed complex assemblies involving many processes like complex machining, brazing, dry film lubrication and mold abradable coating;
- Developed test fixtures for pressure testing upto 200 bar using oil as well as water media, enabling us to cater to a number of parts for the Aerospace industry;

- Developed a number of critical components like discs, impellers, bodies, filter units, seals and sleeves of aero engines that use exotic materials like Nimonic steels, Inconel and special stainless steels;
- Developed a cleaning facility to meet the stringent Engine cleanliness requirements;
- Developed a pre-penetrant etching line for non-destructive testing for some critical aerospace components.

CONSERVATION OF ENERGY & FUEL

Watches and Accessories

The Company's Watches Division has successfully implemented various energy and fuel conservation projects with internal expertise and association with external agencies with state of art equipment and technology in the areas of lighting, vacuum system, air-conditioning and process water cooling / evaporation systems at its watch manufacturing facility. During 2013-14, these conservation initiatives has resulted in power & fuel cost saving of ₹165 lakh which includes energy conservation of 0.88 million units and fuel conservation of 37 KL. Other initiatives were as below:

In line with the vision of becoming "Carbon Neutral", the Company is continually sourcing part of its energy consumption at watch manufacturing facility through renewable energy resources – Wind Mills. During 2013-14, 6.6 million units of energy has been sourced from our joint venture wind farms with TVS Energy Limited (4.86 million units) and Green Infra Wind Power Projects Limited (1.7 million units) which has resulted in cost savings of ₹ 274.0 lakh and reduced the carbon emission to an extent of 5450 tonnes during 2013–14.

The Company has invested on LED lighting projects considering the phenomenal energy conservation potential to the extent of 60% at the Hosur watch manufacturing to meet general lighting requirements. During 2013-14, an investment of ₹10 lakh was made on this project and 600 numbers of light fittings across various shop floors have been revamped with LED lighting which has resulted in cost savings of ₹11.0 lakh / annum. During 2014-15, an investment of another ₹15 lakh is planned on this project for replacement of another 800 light fittings with LED. Expected savings from this initiative is ₹8.0 lakh. With this, 100% of light fittings (~ 3000 numbers) will be of LED in the watch plant.

To harvest solar power, installation of Roof top solar system with the capacity of 216 kW is in progress (investment of ₹ 125 lakh) for an annual generation of 3.0 lakh units. This project will be commissioned in May 2014.

Other initiatives are as under:

- **Energy Conservation at Vendors Manufacturing Site :** 12 Vendors were identified for adopting Energy Conservation Initiatives. Consultants from Coimbatore were engaged by Titan to study "Current Consumption details at respective Vendor Mfg Site" and solutions to reduce power consumptions. Titan's Project Team anchored the process and the solutions were categorised in to Phase (1) Conservation through Operational Controls and Phase (2) Conservation through minimal investments (all Vendors put together ₹ 56 lakhs). The current status: Phase 1 is implemented and we are in discussion with vendors for investment to realise the benefit of Phase 2 initiatives.
- **Collection and disposal of Buffing Waste :** Indigenous vendors are involved in manufacturing of Cases (annual procurement 2.8 ml). Buffing Operation is an integral part of the Case manufacturing process. Disposal of Buffing Waste is an important activity to protect the environment. Titan has put in process not only an In-house Waste Management system, but also waste from vendors is disposed.
- **Indigenisation of Plastic Products :** As per Industrial study on Use of Materials, plastics would become Integral part of Consumption. Titan imports plastic products and the segment would grow in the coming years. Plastic Products are identified as Potential for Import Substitution. Vendors were identified and enhanced their capability to meet Titan's requirement. In the year 2013-14, 120 k Cases and 430 k Straps were procured from Indigenous Vendors. Going forward, in FY 14-15, the plan is to procure 450 k Cases and 1000 k Straps.

Jewellery

The Jewellery Division undertook a number of projects focused on reducing the energy consumption in the manufacturing plant. LED lightings were installed in the office resulting in overall saving of ₹ 26.37 lakh in 2013-14. Thermal energy storage system installed for HVAC has delivered a saving of ₹ 24 lakh in the year. A replacement for the existing Diesel Powered Generator is planned in 2014-15 which is estimated to give savings of ₹ 22.2 lakh.

Solar Concentrators were setup to support canteen operations at the manufacturing plant. This has resulted in a saving ₹ 1.5 lakh in 2013-14. Further, Solar power panels are planned to be installed in 2014-15 which are estimated to provide savings of ₹2.27 lakh annually. Total energy consumption for the year stood at 34.19 lakh Units. Energy consumption per unit of output stood at 0.5 unit/ product.

Eyewear

Air-conditioning load was reduced by 8 tonnage .This was achieved by shifting two chiller units pertaining to the AR Coating machine. This yielded us a net savings of ₹ 50,000 per month which is around 8% of the monthly energy cost of the factory.

Split air conditioning units were installed for the process area cooling on weekends / holidays instead of operating the centralized AC units there by saving energy. Net saving per month is around ₹4000 considering one day holiday per month.

It is proposed to replace all the CFL lighting in lab premises with LED lighting. Total lighting load per month in lab is 10740 KW and the cost of lighting bill in every month is ₹ 1,07,400. By replacing all the CFL with LED lamp, the saving will be about 60%,i.e., ₹ 64,440 will be saved in every month. The investment involved is around ₹ 1,00,000.

This has resulted in a net saving of ₹ 6,00,000 (six lakhs) per annum and the production cost of lenses has gone down by ₹1.25 per lens.

A snapshot of the total energy consumed, lens produced and consumption of energy per unit of production is as under:

Total energy consumption: ₹78,78,253.00

Total lenses produced: 4,08,840 Nos.

Energy consumption per unit of production (2013-14): ₹19.29.

PECSA

Following proposals are being initiated in the Company's new building on the energy saving and water saving front:

- An air handling unit that helps to keep the working area at 28 degree centigrade with a breeze without any chiller;
- Solar lighting;
- Solar water heaters for canteen kitchen;
- Solar pumps;
- Drip irrigation for the entire garden area.

The team has converted certain lightings to LED lights both in PECSA and MBA which saves energy to an extent of 100 to 120 units per month for both the plants together.

EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ lakhs)

		Year ended 31.3.2014	Year ended 31.3.2013
(a)	Capital	16.73	50.08
(b)	Recurring	529.48	429.30
(c)	Total	546.21	479.38
(d)	Total R & D expenditure as percentage of turnover	0.05%	0.05%

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company earned ₹ 221.12 crores in foreign exchange and spent ₹ 1,082.01 crores (including ₹ 614.09 crores in the procurement of gold and ₹25.69 crores in capital imports).

On behalf of the Board of Directors,

Hans Raj Verma
Chairman

6th May 2014.

Registered Office:

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Management Discussion and Analysis

THE ECONOMY

The effects of near term macro instability in the country appears to have diminished with the narrowing of twin deficits-current account and fiscal, rebuilding of the foreign exchange reserves, strengthening of the rupee, all of which point towards disinflationary path for Indian economy. However, economic recovery is yet to materialize as more efforts from the Government are required in terms of removing structural impediments, building business confidence and creating environment in the country to support investment.

Growth in the Indian economy has had been spiraling downward from 9.5% in FY 2011 to around 4.5% in FY 2014. The view in business circles is that the negative growth appears to have bottomed out in Q2 and Q3 of FY 2014 recording 4.8% growth with clear signs of recovery yet to emerge.

BUSINESS OVERVIEW

The year gone by was the most challenging one in a long time as GDP growth slowed down with inflation at a high level. The Company recorded a 7.31% growth in revenue compared to the previous year with the Jewellery Division recording muted growth. PBT was 0.96% as overhead was higher than the previous year.

WATCHES AND ACCESSORIES DIVISION

Overview:

The year 2013-14 was a challenging year for the Division. The economy remained sluggish through the year, consumer sentiment was poor, the retail market was over-run with products on deep discounts and watches as a category receded in consumer preference compared to other categories like apparel, mobile phones, laptops, etc.

In such a scenario, volume growth was hard to come by and the focus on higher value products led to an overall increase in sales value. Titan and its portfolio of brands, however, continued to dominate the watch market with a market share exceeding 65%.

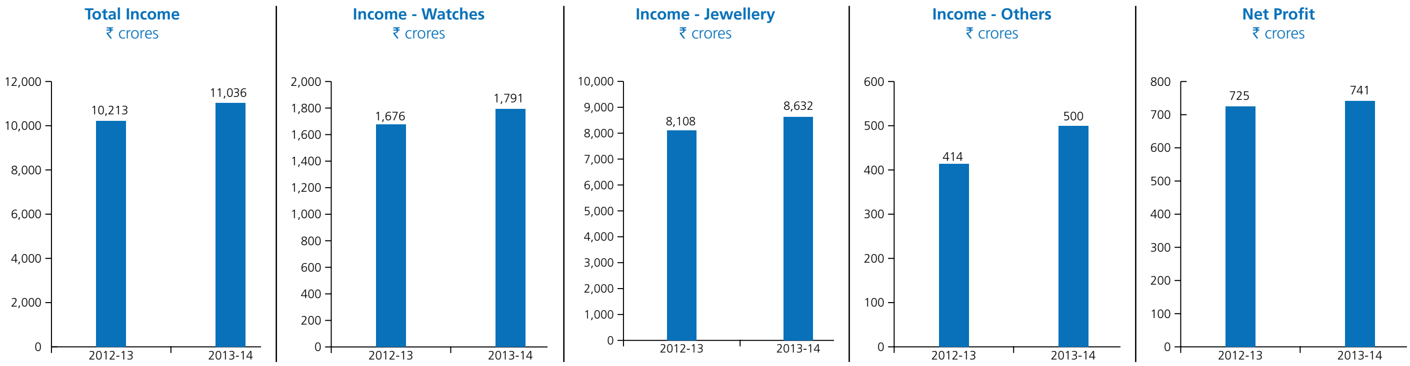
The year 2013-14:

Titan, with its strong portfolio of brands, each targeting a different consumer segment, continued to invest in its brands with a view to keep its brands relevant and contemporary in a market where every global watch brand is now present. Brands like Fossil, Casio, Seiko, most Swiss brands and all the fashion brands continue to expand their retail presence but the main challenge for Titan remains the fight for 'share of wallet' with other consumer durables. High impact campaigns from Titan, Fastrack, Sonata and Xylys focussed on showcasing products and creating excitement in the category.

The Division continued to expand its retail foot-print taking its total count of World of Titan's to 401, Fastrack stores to 151 and multi-brand Helios stores to 49. The Company has the largest retail and distribution network for watches and accessories in India. Today, its watches are available in over 9,000 multi-brand dealer outlets across 2,500 towns. Besides this, the Company has around 750 service centres which provide reliable and timely after-sales service.

To curtail its high cost base, a number of initiatives were put into place during the year. The sales force was consolidated under a central sales organisation, a new consolidated terms of trade for Multi Brand Outlets (MBOs) was put in place, loss making retail outlets across World of Titan, Helios and Fastrack stores were closed down and Distributor consolidation was initiated across the country.

Graphical representation of performance:



Investment in retail was also taken up with a new retail identity for World of Titan stores and Fastrack stores being rolled out. The process of renovating old stores was also taken up during the year.

Product design remains at the core of the Watch Division's strategy and is the pillar on which the Company's brands have been built. During the year, a stream of stunning new products across all the Company's brands were rolled out, both at the high end and at the low end, to offer every segment of consumers a wide variety of choice. The Skeletal Edge watch won the coveted Red Dot award for design for the second year in succession.

The implementation of the 'Theory of Constraints' replenishment model to drive supply chain for the retail channel was stabilised and the huge benefits in terms of correct product availability are already beginning to bear fruit.

In manufacturing, the focus on automation continued with a view to increase productivity. The new manufacturing plant being set up in Coimbatore to manufacture high-end stainless steel cases is expected to commence production in the current financial year.

On the international front, the watches business did relatively well showing good overall value growth. Titan is now present in 32 countries and the focus remains on establishing a good distribution network before investing for larger growth in the medium term. The Company has a strong presence in Vietnam, Singapore, Malaysia and Thailand in the Far East, Saudi Arabia, UAE, Qatar, and Oman in the Middle East, and Bangladesh, Sri Lanka and Nepal closer to India.

Favre Leuba, the heritage Swiss brand that the Company acquired in 2011-12, is being actively worked on for a launch during the current fiscal year. The acquisition dovetails with the Company's growth agenda in India's growing premium and luxury watch market.

During the year, the Division launched two new categories – Fragrances, under the brand name 'Skinn' and motorcycle Helmets under brand Fastrack. Six variants of perfumes for men and women were launched during the year and have met with huge success in terms of retail off-take from World of Titan stores and large format Departmental stores. Helmets under brand Fastrack were launched in Fastrack stores across the country and have evoked a good initial reaction from the market.

A joint venture agreement was signed during the year with luxury brand, Mont Blanc, to retail and sell Mont Blanc products in India. This is in line with Company's strategy to target the fast growing premium and luxury market in India.

The management believes that the Watches and Accessories Division with its portfolio of brands and businesses has emerged stronger in 2013-14 as a result of its initiatives in the current year and made it 'future ready' for a five year plan that it views with optimism.

Opportunities, threats and risks:

While Titan dominates the watch market in India, competition in the form of international watch and fashion brands, the need to make even larger investments to capture share of voice and wallet, limited head-room for growth, a consumer increasingly looking for offers and discounts, and a depreciating rupee, are threats that the watch business is constantly dealing with.

Middle India, with ever increasing access to the internet, television and mobile telephone, is emerging as a big growth opportunity for marketing and selling watches. The women's segment and youth segment are large opportunities for growth. The emergence of e-commerce retailers and the increasing propensity to buy online has already made this channel a focus area for the Company.

Outlook for 2014-15:

In a scenario where a stable Government at the Centre is anticipated, the rupee is expected to remain stable, the stock market is expected to be buoyant and overall consumer sentiment is expected to be good, the Division is targeting aggressive growth.

The Watches and Accessories Division will continue to invest in its brands, introduce stunning new products through the year, expand its retail foot-print especially in middle India, renovate and enhance its retail presence and target market share gains with its strong portfolio of brands. All this, with a view to maintain its dominant market position in the watch market over the long-term.

JEWELLERY DIVISION

The jewellery industry was affected by 2 significant factors during 2013-14.

The first was the muted consumer sentiment that continued from FY13, which affected discretionary categories in general and diamond jewellery in particular. While the steep and sudden fall in the price of gold in Q1 resulted in a huge gold rush, a good part of this surge was compensated in the other 3 quarters through a muted demand for gold jewellery, ending the full year on an average note. On the diamond jewellery front, things were worse, especially in the high value category (> 5 lakh segment), with most retailers reporting poor demand. Our quarterly customer sentiment survey also corroborated all this.

The second and farther-reaching factor was various regulatory changes that the government unleashed as part of its overall control on CAD.

1. Abolition of the gold-on-lease scheme, which gave our company low financing cost, 180 days credit and natural hedging of gold price;

2. The 80:20 rule for imports that made import of gold totally controlled, squeezed the legal supply and increased the domestic premium;
3. The increase of customs duty to 10%, which aggravated the supply situation and compounded the domestic premium issue.

The division's sales performance was affected by the first factor and its financial performance was affected by the second.

The competitive situation was also intensifying, with some south-based chains showing a high level of aggression in their store expansion and marketing campaign efforts. In an environment where customers were naturally inclined to seek value, these new options that offered more perceived functional value, made our customer acquisition efforts that much more difficult.

Despite all these, it is our belief that we ended the year on a better note from a competitive advantage point of view.

1. The desirability of Tanishq rose during the year, as measured by our brand metric tracks. The most talked about TV ad of the year was the Tanishq wedding film, way above everything else. The Tanishq brand was also valued by Interbrand, the global brand consultancy firm, at USD 670 M and the brand was placed in the same league as corporate brands like Tata, Reliance, Asian Paints, M & M and others. No other product brand in India had that distinction.
2. We also created and launched some product collections that were as stunning looking as they offered real value for money. Our ability to offer design with value was considerably sharpened through these efforts.
3. The network continued to expand and impress. On both improved access (7th store in Bangalore or the 1st store in Goa) and a much better customer experience (transformation of the small Gorakhpur store into the largest jewellery store in Eastern UP), we pressed all the right buttons.
4. Our steps for transforming gold jewellery manufacturing took a big step with the launch of the Karigar Centre (KC) in February 2014. The appreciation from the industry and the karigar community was effusive. Apart from helping the division achieve some of its long-term operational and financial objectives, we expect the KC to become a model for the industry to emulate.
5. Our latest diamond jewellery manufacturing plant in Pantnagar was inaugurated in March 2014. With the latest equipment and a young and energetic team, the plant is waiting to write a world-class script in product quality and manufacturing excellence.

With all these stronger assets and improving capabilities, we are confident of playing to our potential in the jewellery industry even as it gets more competitive.

Our market development efforts in the working women (Mia), Solitaires and Fashion (Iva) segments have all created significant excitement and have the potential to generate sizable, profitable businesses in the near term as macro factors improve and sentiments look up.

Risks, Threats and Concerns

Gold: Supply, Financing and Hedging

1. The reputation of the Company and the group have helped the division significantly in the last 1 year, with all importing banks and canalizing agencies treating us as a preferred customer. We have had a smooth supply situation and the premium that we have had to pay has been controlled. Going forward in 2014-15, our situation on this front is going to be further strengthened on account of our exports to the Middle East and Singapore. We expect to start exporting by the end of Q1 of FY15, which will help us to directly import gold using our Direct Import License, bringing down our cost of material.
2. The abolition of Gold on Lease has made us a net borrower, increased the cost of financing, increased the capital employed and significantly reduced the ROCE. This has created a need for improving our inventory turns, on which the division is working through various initiatives.
3. The RBI has given us permission to hedge our gold overseas. This permission, apart from totally eliminating the gold price risk, will also help us on the cost of financing through the forwards premium advantage.

Golden Harvest Scheme

The Companies Act, 2013 has circumscribed purchase schemes like Golden Harvest, by redefining what a deposit is. While we are in the process of seeking clarification from the Ministry of Corporate Affairs, it does appear based on legal opinion that the scheme could get impacted by the new rules. The impact of the abolition of the scheme in its current form will possibly be potential loss of sales as the scheme was an excellent customer acquisition programme and a significant reduction to the cash reserves combined with a possible rise in borrowings of the Company.

Competition

While there has been considerable development on the competitive front (regional chains becoming national), we believe that a significant part of this is also the acceleration of the consolidation in the Value segment (medium and small local jewelers giving way to national brands), with as such a limited impact on the Adornment segment, which is where we play. At the same time, we are keeping a close watch on some of these brands and tactically reacting at a catchment level.

EYEWEAR DIVISION

The eyewear market in India is estimated to be growing an average of 16% CAGR in the last 5 years. The incidence of eye correction is at about 25% and sharply rises in the age group beyond 40 years. The number of new customers entering the category is significant every year due to changing life styles and incidence at lower age groups increasing. Spectacles constitute almost 85% of the eyewear market, followed by sunglasses at 10% and contact lenses, ready readers, accessories form the rest. The largely unorganized play has been shifting towards branded play in both frames and sunglasses. The entry barrier in the category has been low. The expansion by both large national chains and local regional chains continued unabated.

Titan Eyeplus is a multibrand store which offers house brands and international brands in frames, sunglasses, optical lenses and contact lenses along with a fully equipped clinic that assures zero error eye test and a complete solution for all eyewear needs.

Key developments during the year 2013-2014:

- The retail network expanded from 223 stores to over 280 stores by March 2014 with a carpet area of 180000 sq. ft. This includes multiple formats on high streets, neighbourhood malls and inside large department stores. The network is spread over 103 towns.
- New collections namely Flair & Hipster were introduced to focus on some key consumer segments in the market. "Fastrack" frames were launched for the youth and have received a very encouraging response.
- A number of new progressive designs in lenses were introduced under the house brand 'Titan' catering to special needs of consumers.
- A complete new collection under Titan Glares, the sunglass brand was introduced. 'Glares' is a superior quality brand in the fashion space catering to the design conscious consumer.
- Innovation of online eye testing was well accepted by customers and is gaining momentum.

All key initiatives undertaken in 2013-14 led to a healthy business growth of 28% over the previous year. All retail and brand health metrics have shown a healthy trend. Substantial investments are being made in training to ensure that the staff is able to provide a world class optical solution to the customer. In the last year alone, more than 300 people were trained. The unified loyalty program has helped to fuel the growth. Investments in brand building continued with focus on large segments in the market.

Integrated Supply Chain

The lens manufacturing facility developed a UV protection coating for CR39 lenses in-house which was received well in the market. We also introduced a new range of progressive lenses at affordable price points as well as specific progressive lenses for first time users. The delivery alignment continues to be over 99% for finished lenses and over 95% for Rx lenses.

Titan Eye Plus consolidated its leadership in network, brand metrics and customer loyalty.

Outlook for 2014-15

The focus on network expansion will continue in the coming year across formats. A good part of the additions to the network will come in tier 3 cities. We expect to maintain the growth momentum for the business. New channels would be explored to create greater access for customers.

The brand's focus will be to further strengthen the brand and its positioning by offering stylish products that are truly differentiated and will push the envelope on accessorizing the category. The retail identity of the stores will see an uplift to make it more contemporary and stay ahead of the industry. There would be a balanced approach to growing both volume and value.

Risks

We import a large percentage of our components and products exposing us to currency fluctuation and material cost risks. We have addressed these risks partly through strategic long-term partnerships.

Human resource risks comprise the unavailability of quality manpower. We have invested in training centers in association with Sankara Nethralaya, making it mandatory for recruits to undergo a comprehensive training and get certified.

PRECISION ENGINEERING DIVISION

In the year 2013-14, the Precision Engineering Division continues to grow strongly on both top-line and bottom-line by 25% compared to previous year. The business has grown in stature and positioned itself as a premium engineering solution provider, a dependable partner and making a presence globally for its quality and delivery.

The precision engineering business comprised the following businesses:

Precision Engineering Component and Sub-Assemblies (PECSA): PECSA caters to the specialised requirements of the aerospace, defence, oil and gas and engineering sectors. It supplies parts to leading Tier One aerospace & defence companies through long-term contracts. PECSA is becoming a default choice of large multi-national companies in the Aerospace and Defence sector for precision components & assemblies. The business enjoys nearly 750 customer qualified parts that strengthens the future prospects. Moreover a number of companies, global market leaders in the aerospace industry have grown their business with the division and are looking at strengthening the relationship.

Machine Building and Automation (MBA): MBA caters to the assembly line automation needs of automotive, electrical and medical industries. Around 10 customers were acquired during the year totalling around 75 customers. Global installations foot print keeps increasing for its ability to meet international standards. The division entered the manufacture of assembly lines for medical devices with a potential for repeat orders. A rising demand for automation will strengthen revenues.

Outlook for 2014-15

Despite a challenging global environment, there is good opportunity for both businesses to address. Many global majors are looking at India strategically, both in terms of a lucrative market as well as a destination for cost competitive solutions. India being a big spender in defence is also creating good offset opportunities.

The Division is ideally positioned to capitalize on these opportunities and is seeing a lot of customer interest for both businesses and has good visible pipeline of business. Both the businesses started the year with sizable order book ensuring further growth for 2014-15.

Risks, threats and concerns

Specific risks pertaining to the Division are indicated below:

The Company addresses talent retention risks by attracting young graduate engineering trainees (GET) and diploma engineers and uses its “grow your own timber” strategy to retain key multinational Tier-I customers in the aerospace, Defence, oil & gas and other specialised sectors.

MNC automation companies entry to India is visible. Automation business unit has already been working on technologically advanced systems to face the competition.

US Dollar parity variation would influence the profitability of the business of PECSA. The focus point for this business would be productivity improvement significantly.

HUMAN RESOURCES

The Company had 7363 employees on rolls and about 5957 contract at the end of the year 2013-14. We had a total of 1079 recruitments with a net addition of 510 employees during the year. Of the total head count of 7363, 3502 employees were engaged in factories, 3294 in retail, sales and marketing and 567 in support functions. The Company also had an attrition of 569 employees which resulted in an attrition rate of 7.2%.

Watches & Accessories: The restructuring of the Watches and Accessories Division, with the consolidation of all retail and sales operations of all brands under a Chief Sales & Retail Officer and Marketing of all brands under a Chief Marketing Officer has settled well and has resulted in bringing in synergies within the division and a more focused approach to both sales and marketing.

The Human Resources function has been reorganized with the formation of a Business Partner Organization for Retail, Sales & Corporate and Manufacturing and Centers of Expertise in the areas of Talent, Total Rewards, Learning & Development and Employee Experience. The management continued to enjoy cordial industrial relations with the Titan Employees Union, resulting in motivation, efficiency and productivity. The long term wage settlement with the Titan Employees Union based at Hosur has been concluded amicably. The Wage Settlement for both the Jewellery and Watches Factories at Dehradun were signed, with the Employee Forum agreeing for a higher productivity & output. 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.

As a part of “International Women’s day celebrations” on 8th March 2014, the Hosur Titan Manufacturing unit organized various activities to celebrate Women’s day in a special way. All the women employees (numbering around 380) gathered at the watches division to achieve a maximum of 12 world records in a day, which will be recorded in 4 major world record books (Elite World Records UK, Asian Records Academy, Singapore, India Records Academy, Mumbai and Tamilan Book of Records, Chennai).

The year also saw 1376 employees in Titan completing 20 & 25 years of long service in the company and we have had the Long Service Award functions organized to mark the successful tenure of these employees.

The Retailers Association of India (RAI) and Great Place To Work® Institute came together to study various retail organizations and identify India’s Best Retail Companies To Work For in 2014. Titan Company Limited was ranked as No. 2 in the list.

The Company has decided to shift its Corporate Office from Golden Enclave at Bangalore to a location around five kms from the current location. The movement of the Corporate Office to the new location will be in the first week of June 2014. This would be an interim arrangement till we move to our new Corporate Office at Electronic City.

INTEGRATED RETAIL SERVICES GROUP

The Integrated Retail Services Group was responsible for the highest ever network expansion during 2013-14, setting up a total of 125 stores (1,79,655 sq. ft). The network as on 31st March 2014 was as follows:

	No of stores	Area (in sq. ft)
World of Titan	401	4,01,108
Fastrack	150	85,893
Helios	49	66,414
Tanishq	163	6,32,195
Goldplus	33	80,850
Zoya	2	7,078
Eye+	280	1,77,726
Service Centers	760	61,200

During 2014-15, the Company has augmented plans to add 140 stores in Watches and Accessories, 31 stores in Jewellery and 162 stores in Eyewear.

SEGMENT-WISE PERFORMANCE

Segment Results (₹ in lakhs)

	Year Ended 31-3-2014 (Audited)	Year ended 31-3-2013 (Audited)	Year Ended 31-3-2012 (Audited)	Consolidated Year ended 31-3-2013 (Audited)
Net sales / Income from segments				
Watches	1,79,080	1,67,587	1,52,976	1,68,661
Jewellery	8,63,203	8,10,799	7,06,416	8,10,799
Others	49,979	41,403	32,881	41,403
Corporate (Unallocated)	11,336	1,555	976	1,555
Total	1,103,598	10,21,344	8,93,249	10,22,418
Profit / (Loss) from segments before finance costs and taxes and after share of profit/ (losses) of associate				
Watches	18,892	20,185	21,676	20,209
Jewellery	85,353	89,085	69,755	89,085
Others	379	(313)	(448)	(313)
Total	1,04,624	1,08,957	90,983	1,08,981
Less : Finance Costs	8,711	5,064	4,371	5,065
Unallocable expenditure net of unallocable income	(5,680)	3,266	2,768	3,222
Profit before taxes	1,01,593	1,00,627	83,844	1,00,694
Capital Employed				
Watches	58,157	67,056	50,398	69,137
Jewellery	1,64,664	96,750	63,863	96,750
Others	21,425	16,903	17,107	16,903
Corporate (Unallocated)	87,842	15,578	14,374	14,017
Total	332,088	1,96,287	1,45,742	1,96,807

How the Company fared

The Company achieved 14% growth in sales turnover; profit before tax increased 20% while profit after tax grew 21% over the previous year. Some of the key financial indicators comprise:

	2013-14	2012-13	2011-12	2010-11	2009-10
Sales to Net fixed assets (No. of times)	17.41	20.82	22.79	21.92	17.11
Sales to Debtors (No. of times)	72.06	62.31	55.00	57.80	50.24
Sales to Inventory (No. of times)	2.83	2.78	3.12	3.30	3.51
Retained Earnings - Rupees in crores	559.09	514.97	380.13	301.00	173.14
% of Net profit for the year	75.4%	71.0%	63.3%	69.9%	69.2%
Return on Capital Employed (EBIT)	37.9%	55.9%	62.0%	58.5%	45.4%
Return on Net worth	33.0%	42.5%	48.5%	49.2%	39.2%

Internal Controls

The 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, *identifying weaknesses and areas of improvement* and to meet with all compliances. Measures have been taken in the recent past like the institution of the Operations Control Group to focus on control across retail outlets and on revenue assurance. This, along with the Company's whistle blowing policy have worked effectively to control and detect frauds, particularly at the retail end. The Company is now in the process of documenting processes that have already not been mapped to identify further risk areas.

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 reports taken.

During the year, the leading division-wise business risks of the Company covering all the divisions were reviewed and updated. The Audit Committee recommends risk mitigation initiatives 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 Report

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

Corporate Governance at Titan Company Limited is based on the philosophy of a business enterprise being a Corporate Citizen of the nature in which it operates. The Company strives to maximize satisfaction to its primary stakeholders, i.e. its customers, its employees, its business associates, the communities it significantly operates in and its shareholders. The Company believes in not merely following the laws of the land in letter and spirit but also in some cases going beyond mere compliances and thereby holding out as a beacon to other companies. The vision of the Company: "To create elevating experiences for the people we touch and significantly impact the world we work in" underpins the Corporate Governance philosophy. 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 is a signatory to Global Compact, which has social dimensions to the functioning of the corporate entity within the ecosystem.

Board of Directors

Titan Company Limited was promoted by the Tamilnadu Industrial Development Corporation Limited (TIDCO) and the Tata Group. As on 31st March 2014, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director.

The composition and category of Directors as at 31st March 2014 is as follows:

Category	Name of the Director	No. of Directors
Nominee Directors of TIDCO (Non-Executive, Non-Independent)	Mr. Hans Raj Verma	3
	Mr. C. V. Sankar[1]	
	Mr. T. K. Arun	
Nominee Directors of Tata Group	Mr. Ishaat Hussain	
(Non-Executive, Non-Independent)	Mr. N. N. Tata	2
(Executive, Non-Independent)	Mr. Bhaskar Bhat	1
Other Directors (Non-Executive, Independent)	Mr. T. K. Balaji	6
	Dr. C. G. Krishnadas Nair	
	Ms. Vinita Bali	
	Mrs. Hema Ravichandar	
	Prof. Das Narayandas	
	Mrs. Ireena Vittal	
Total		**12**

[1] Mr. C.V. Sankar, nominee of TIDCO, was nominated as Director of the Company on 31st October 2013 in place of Mr. N.S. Palaniappan 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 was independent.

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 2013-14. Board meetings were held on 3rd May, 1st August, 31st October in 2013 and on 29th January & 17th, 18th February upto 31st March 2014.

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 2014 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. Hans Raj Verma	4	Yes	6	9	2	4
Mr. Bhaskar Bhat	5	Yes	2	3	-	1
Mr. N. N. Tata	4	Yes	4	6	1	2
Mr. Ishaat Hussain	5	Yes	2	12	4	6
Mr. N. S. Palaniappan[1]	-	No	NA	NA	NA	NA
Mr. T.K.Balaji	4	Yes	2	9	1	3
Dr. C. G. Krishnadas Nair	5	Yes	-	5	-	-
Ms. Vinita Bali	3	Yes	-	7	-	3
Mrs. Hema Ravichandar	5	Yes	-	2	-	1
Prof. Das Narayandas	1	No	-	1	-	-
Mr. T. K. Arun	4	Yes	1	11	1	8
Mrs. Ireena Vittal	5	Yes	-	6	-	3
Mr. C. V. Sankar[1]	-	NA	7	9	-	-

[1] Mr. C.V. Sankar, nominee of TIDCO, was nominated as Director of the Company on 31st October 2013 in place of Mr. N.S. Palaniappan who resigned on that date.

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, 2014. 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

The Audit Committee shall have powers, which includes the following:

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 to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- 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;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliances with Listing Agreement and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in the matter.

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

h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

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

j) 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.

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

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

m) 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.

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

o) Reviewing the functioning of the Whistle Blower mechanism.

p) Approval of appointment of CFO (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc of the candidate and

q) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

a) Management discussion and analysis of financial condition and results of operations.

b) Statements of significant related party transactions submitted by the management.

c) Management letters / letters of internal control weaknesses issued by the statutory auditors.

d) Internal audit reports relating to internal control weaknesses.

e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Dr. C.G. Krishnadas Nair, Chairman of the Board Audit Committee was present at the last Annual General Meeting of the Company held on 1st August 2013.

As at the year-end, the Audit Committee of the Board comprised of six members, four 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 a financial expert.

The Audit Committee met four times during the Financial Year 2013-14 on 2nd May, 31st July, 30th October in 2013 and on 29th January up to 31st March 2014.

The quorum as required under Clause 49 (II) (B) was maintained at all the meetings.

The name 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 four meetings
Dr. C. G. Krishnadas Nair, Chairman (Non Executive) (Independent)	4
Mr. Ishaat Hussain (Non Executive) (Non Independent)	4
Mr. T. K. Balaji (Non Executive) (Independent)	2
Ms. Vinita Bali (Non Executive) (Independent)	3
Prof. Das Narayandas[1] (Non Executive) (Independent)	1
Mr. T. K. Arun (Non Executive) (Non Independent)	3
Mrs. Ireena Vittal[2] (Non Executive) (Independent)	1

[1] Member up to 31st October 2013

[2] Member from 31st October 2013

The Managing Director, the Chief Financial Officer, the Chief Executive Officers of the Watches & Accessories, Jewellery, Prescription Eyewear, Precision Engineering & New Businesses Divisions, the Chief Human Resources Officer and the Head – Internal Auditor were present at meetings of the Audit Committee. Representatives of the Statutory Auditors, M/s. Deloitte Haskins & Sells and outsourced Internal Auditors, M/s. Ernst & Young are invited to the meetings of the Audit Committee. 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 / reappointment 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 2013-14 is attendance at the meetings of the Board and the Committees thereof.

The Committee met twice during the Financial Year 2013-14 on 3rd May and 9th July 2013.

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. Hans Raj Verma (Non Executive) (Non Independent)

Mrs. Hema Ravichandar (Non Executive) (Independent)

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 2013-14, a meeting of the Shareholders' Grievance Committee was held on 14th March 2014. The members of the Shareholders' Grievance Committee are as follows:

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

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

Mr. Bhaskar Bhat (Executive) (Non 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. T.K. Arun (Non Executive) (Non Independent)

Mr. Bhaskar Bhat (Executive) (Non Independent)

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

d. Committee of Directors

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

The present constitution of the Committee of Directors is as follows:

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

Mr. Hans Raj Verma (Non Executive) (Non Independent)

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

Mr. Bhaskar Bhat (Executive) (Non Independent)

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

e. Ethics Committee

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

The composition of the Committee is as follows:

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

Mrs. Hema Ravichandar (Non Executive) (Independent)

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

Mr. Bhaskar Bhat (Executive) (Non Independent)

During the year 2013-14, this Committee held meetings on 24th April 2013, 31st July 2013, 16th October 2013 and 16th January 2014.

Mr. C. K. Venkataraman has been designated as Chief Ethics Counsellor of the Company. The Compliance Officer designated for compliance with SEBI Guidelines for Insider Trading, is Mr. S Subramaniam, Chief Financial Officer.

The Company has also adopted a Policy Against Sexual Harassment.

f. Nomination Committee

Nomination Committee recommends to the Board most eligible candidates for appointment as Independent 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. Hans Raj Verma, (Non Executive) (Non Independent)

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

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

During the year, the Nominations Committee met on 3rd May 2013 and 31st October 2013.

g. Corporate Social Responsibility Committee

A Corporate Social Responsibility Committee was formed during the year and the Committee met on 28th May 2013.

The composition of the Committee is as follows:

Mrs. Ireena Vittal (Chairman) (Non Executive) (Independent)

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

Mr. Bhaskar Bhat (Executive) (Non Independent)

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. However, one independent director each has been nominated on Board of the two subsidiaries of the 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 are placed before the Board for their attention and major transactions and decisions of the subsidiaries, such as inter-corporate loan / investments are effected with prior approval by the Board of Directors of the Company.

The financial statements 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.

Disclosures

(a) Related Party Transactions: During the year under review, besides the transactions reported in Note 39 forming part of the financial statements for the year ended 31st March 2014 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 reviewed 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 for the major risks of each of the businesses that the Company is into.

The Risk registers of each of the Businesses 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 optimized.

(d) Disclosure by Senior Management: Senior Management has made affirmations 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 (MD) 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, 2014, 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) Share Transfer Compliance and Share Capital Reconciliation: 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 share capital audit on a quarterly basis for reconciliation of the share capital of the Company.

Compliance with Clause 5A of the Listing Agreement

Pursuant to Clause 5A of the Listing Agreement with the Stock Exchanges, for shares issued in physical form pursuant to a public issue, which remain unclaimed, the issuer Company has to comply with the following procedure:

a) Send at least three reminders to the addresses given in the application form as well as the latest address available as per the Company's Registrars record asking for the correct particulars.

b) If no response is received, the issuer Company shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account"

The Company had sent three reminders till date, in respect of unclaimed equity shares in April 2012, August 2012 and March 2013. The details of the number of shareholders and outstanding unclaimed shares for the period 1st April 2013 to 31st March 2014 is as provided below:

Particulars	No of shareholders	No of equity shares (Re 1 each)
Aggregate number of shareholders and outstanding unclaimed shares as at April 1, 2013	1,771	32,31,960
Shareholders to whom shares were dispatched from unclaimed shares during FY 2012-13	29	1,71,773
Aggregate number of shareholders and outstanding unclaimed shares as at March 31, 2014	1,742	30,60,187

The Company has sent reminders to 1,771 shareholders in March 2013 and the process of transfer of unclaimed shares to Unclaimed Suspense Account is under way. Upon transfer to the Unclaimed Suspense Account, the voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

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 Managing Director during 2013-14 are as under:

(in ₹)

Name	Salary	Perquisites & Allowances*	Commission**
Mr. Bhaskar Bhat, Managing Director	69,60,000	1,17,37,781	2,60,00,000

* includes leave encashment ₹3,86,667/- 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 2013-14 which is payable in Financial Year 2014-15.

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.

The broad terms of agreement of appointment of the Managing Director is as under:

Period of Agreement	:	5 years from 1st April 2012.
Salary	:	up to a maximum of ₹10,00,000/- per month with authority to the Board to fix the salary within the maximum amount from time to time.
Perquisites	:	As agreed to in the Appointment Agreement within the overall ceiling under the Act.
Commission	:	As evaluated by the Board or the Remuneration Committee subject to the overall ceiling under the Act.
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 2013-14 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. 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 2013-14, the Company has paid sitting fees to Non Executive Directors detailed below and proposes to pay commission as shown below:

(₹)

Name of Director	Commission*	Sitting Fees**
Mr. Hans Raj Verma	4,538,500	1,35,000
Mr. T. K. Arun	4,384,600	1,77,500
Mr. N. S. Palaniappan	-	-
Mr. C. V. Sankar	-	-
Mr. Ishaat Hussain	4,615,400	2,20,000
Mr. N. N. Tata	1,846,100	87,500
Mr. T. K. Balaji	3,230,800	1,47,500
Dr. C. G. Krishnadas Nair	5,538,500	2,32,500
Ms. Vinita Bali	2,769,200	1,20,000
Mrs. Ireena Vittal	3,000,000	1,27,500
Mrs. Hema Ravichandar	3,692,300	1,70,000
Prof. Das Narayandas	1,384,600	40,000

* Gross amount, subject to tax and payable in Financial Year 2014-15
** Gross amount, excluding service tax, paid during Financial Year 2013-14

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 2014 are as below:

Name of Director	Number of Shares
Mr. C. V. Sankar	NIL
Mr. Hans Raj Verma	NIL
Mr. N. N. Tata	46,900
Mr. Ishaat Hussain	14,060
Mr. T. K. Balaji	5,61,000
Dr. C. G. Krishnadas Nair	NIL
Ms. Vinita Bali	NIL
Mrs. Hema Ravichandar	NIL
Prof. Das Narayandas	NIL
Mr. T. K. Arun	NIL
Mrs. Ireena Vittal	NIL

Means of Communication

Whether half-yearly reports are 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. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
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, Business Line, The Mint and Dina Thanthi. The audited financial results for the year ended 31-March-2014, were published in Financial Express, Business Standard, Business Line, The Mint 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
2010-2011	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	28th July 2011	3:00 p.m.
2011-2012	-do-	31st July 2012	3:00 p.m.
2012-2013	-do-	1st August 2013	3:00 p.m.

b) No Extra-Ordinary General Meeting of the shareholders was held during the financial year 2013-14.

c) A Postal Ballot was conducted during the financial year 2013-14.

A Postal Ballot, including E-Voting was conducted during the Financial Year 2013-14 pursuant to section 192A of the Companies Act, 1956, read with the Companies (passing of Resolutions by Postal Ballot) Rules, 2001, for obtaining approval of the shareholders for the following:

i) Special Resolution under section 17 and 149 (2A) of the Companies Act, 1956 for amendment of the Objects Clause of the Memorandum of Association of the Company and commencement of new business.

ii) Special Resolution under section 21 of the Companies Act,1956 for change of name of the Company from TITAN INDUSTRIES LIMITED to TITAN COMPANY LIMITED.

The Postal Ballot, including E-Voting was conducted by the Registrar and Share Transfer Agents of the Company, TSR Darashaw Ltd under the overall supervision of the Company Secretary and Mr. B.R. Bahl, M/s. B.R. Bahl & Associates, Company Secretaries in whole-time practice, the scrutinizer appointed by the Company.

The details of voting pattern are as below:

i) Special Resolution under section 17 and 149 (2A) of the Companies Act, 1956 for amendment of the Objects Clause of the Memorandum of Association of the Company and commencement of new business :

	Ballots	Votes	%
Votes in favour	3,706	57,41,51,367	99.99
Votes against	50	36,561	0.01
Total valid votes	3,756	57,41,87,928	100.00

ii) Special Resolution under section 21 of the Companies Act,1956 for change of name of the Company from TITAN INDUSTRIES LIMITED to TITAN COMPANY LIMITED.

	Ballots	Votes	%
Votes in favour	3,529	57,39,24,835	99.98
Votes against	103	1,29,281	0.02
Total valid votes	3,632	57,40,54,116	100.00

The votes cast in favour of the above stated Resolutions have exceeded 99% of the total valid votes received in each case and consequently, the two resolutions mentioned in the Notice dated 8th June 2013 had been passed with the requisite majority. The results of the Postal Ballot were put up in the notice board of the Company at the Registered Office at Hosur and informed to the Stock Exchanges where the Company's shares were listed.

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

At the Annual General Meeting held on 1st August 2013, a Special Resolution was passed: for the re-appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2013-14, which was passed unanimously.

At the Annual General Meeting held on 31st July 2012, a Special Resolution was passed: for the re-appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2012-13, which was passed unanimously.

At the Annual General Meeting held on 28th July 2011, a Special Resolution was passed: for the re- appointment of Statutory Auditors, Deloitte Haskins & Sells for financial year 2011-12, which was passed unanimously.

Special Resolutions were passed through Postal Ballot in June 2011, for alteration of the Articles of Association of the Company for increase in authorised equity share capital and sub-division of equity share capital, which were passed unanimously.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Friday, 1st August 2014, 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 2013 to 31st March 2014
Directors seeking appointment / re-appointment	As required under Clause 49(IV)(G), particulars of Directors seeking appointment / re-appointment are given in the annexure to the Notice of the Annual General Meeting to be held on 1st August 2014.
Book Closure Date	17th July 2014 to 1st August 2014 (both days inclusive)
Dividend payment date	On or after 1st August 2014 (within the statutory time limit of 30 days) subject to shareholders' approval at the Annual General Meeting.
Financial Calendar Period (tentative)	Board Meeting to approve quarterly financial results
- Quarter ending 30th Jun 2014	- 1st August 2014
- Quarter ending 30th Sep 2014	- on or before 7th November 2014
- Quarter ending 31st Dec 2014	- on or before 7th February 2015
- Quarter ending 31st Mar 2015	- on or before 31st May 2015
Registered Office	3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Listing of Equity Shares on Stock Exchanges	BSE Limited, Mumbai National Stock Exchange of India Limited, Mumbai

Listing fees	Listing fees as prescribed have been paid to the above stock exchanges up to 31st March 2015.
Share Registrar and Transfer Agents	**TSR Darashaw Private 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 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 Private Limited:-

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

TSR Darashaw Private 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 Private 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, 2014

Complaints outstanding as on 1st April 2013	1
Complaints received during the year ended 31st March 2014	15
Complaints resolved during the year ended 31st March 2014	15
Complaints pending as on 31st March 2014	1

Stock Performance

Month	Titan (BSE)		Titan (NSE)		Sensex	Nifty
	High	Low	High	Low		
April - 2013	279.95	232.50	279.80	232.80	19504.18	5930.20
May - 2013	302.00	264.40	302.00	264.20	19760.30	5985.95
June - 2013	295.00	200.00	295.70	201.00	19395.81	5842.20
July - 2013	276.65	219.00	276.65	218.60	19345.70	5742.00
August - 2013	289.25	206.60	288.90	205.40	18619.72	5471.80
September - 2013	248.70	212.00	249.00	211.00	19379.77	5735.30
October - 2013	270.45	230.30	272.00	230.15	21164.52	6299.15
November - 2013	264.85	221.65	265.00	221.30	20791.93	6176.10
December - 2013	237.50	218.25	237.50	218.20	21170.68	6304.00
January - 2014	236.00	203.00	235.95	202.45	20513.85	6089.50
February - 2014	247.35	216.10	247.30	217.10	21120.12	6276.95
March - 2014	268.30	239.15	268.35	239.50	22386.27	6704.20

Distribution of Shares according to size, class and categories of Shareholders as on 31st March 2014

No. of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-5000	117,929	96.72	60,132,593	6.78
5001-20000	2,469	2.02	17,630,443	1.99
20001-30000	871	0.71	11,710,116	1.32
30001-40000	175	0.14	4,305,761	0.48
40001-50000	134	0.11	5,370,178	0.60
50001-100000	118	0.1	8,947,972	1.01
100001- 1000000	174	0.14	58,901,778	6.63
1000001 and above	60	0.05	720,787,319	81.19
TOTAL	**121,930**	**100.00**	**887,786,160**	**100.00**

Categories of Shareholding as on 31st March 2014

Category	No. of Share holders	No. of Shares Held	% of Shareholding
Tamil Nadu Industrial Development Corporation Ltd.	1	247,476,720	27.88
Tata Group Companies	13	223,531,200	25.18
FFI / FIIs / OCBs	208	192,526,938	21.69
Bodies Corporate	1687	11,779,371	1.33
Institutional Investors	42	7,470,865	0.84
Mutual Funds	78	13,778,487	1.55
Nationalised Banks	6	199,000	0.02
Others	119,894	191,023,579	21.51
Total	121,930	887,786,160	100.00

Top Ten Shareholders:

The Company's top ten shareholders as at 31st March 2014 are as shown below:

Sl. No.	Name	Holdings	% to total holding
1	Tamilnadu Industrial Development Corporation Ltd	247,476,720	27.88
2	Tata Sons Limited	135,125,411	15.22
3	Jhunjhunwala Rakesh Radheshyam	61,673,145	6.947
4	Kalimati Investment Company Limited	38,775,840	4.368
5	Matthews Pacific Tiger Fund	27,327,339	3.078
6	Dendana Investments (Mauritius) Limited	19,526,000	2.199
7	Jhunjhunwala Rekha Rakesh	18,241,575	2.055
8	Tata Investment Corporation Limited	17,225,640	1.94
9	Copthall Mauritius Investment Limited	14,335,510	1.615
10	Tata Chemicals Limited	13,826,180	1.557

STOCK CODE

Equity Shares - Physical form	- BSE Ltd : 500114
	- National Stock Exchange of India Ltd : TITAN
Equity Shares - Demat form	- NSDL / CDSL : ISIN No. INE280A01028

The Aggregate Non-promoter / Public Shareholding of the Company as at March 31, 2014 is as shown below:

Number of Shares	: 416,778,240 Shares
Percentage to total holding	: 46.94%

Dematerialisation of Shares and Liquidity

As on 31st March 2014, 97.24 % 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

Watches :
- (a) Plot Nos. 3, 4 & 5 SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
- (b) Mohabewala Industrial Area, Dehradun 248 002, Uttarakhand
  - (i) Unit : Khasra No. 148D, 173B, 176A and 176B
  - (ii) Unit : Khasra No. 148B, 149B
- (c) Plot No. C-1, C-2, C-3, Khasra No. 37, Dev Bhoomi Industrial Estate, Village Bantakheri, Tehsil - Roorkee, District – Haridwar - 247667, Uttarkhand
- (d) Plot No. 10B, Sector 2, Integrated Industrial Estate, SIDCUL, Pant Nagar 263 153, Udham Singh Nagar District, Uttarkhand

Jewellery :
- (a) 29, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
- (b) Khasra No.238, Kuanwala, Haridwar Road, Dehradun 248 160, Uttarakhand
- (c) Plot No. 10 A, Sector 2, Integrated Industrial Estate, SIDCUL, Pantnagar,263 153 Dist Udham Singh Nagar, Uttarkhand

Precision Engineering :
- (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

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

Addresses for Correspondence

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

Corporate Office: Upto 30th June 2014 : Golden Enclave, Tower A, HAL Airport Road, Bangalore 560 017, Karnataka

From 1st July 2014 : 132/133, Divyashree Technopolis, Yemalur, off Old Airport Road, Bangalore - 560 037.

B. NON MANDATORY REQUIREMENTS

As far as the non-mandatory requirements are concerned, the Board has set up 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.

The Board has adopted a whistle-blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees.

There was no audit qualification in the Company's financial statements during the financial year 2013-14. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

CERTIFICATE

To the Members of TITAN COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Titan Company Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions 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)

V. Srikumar
Partner
(Membership No. 84494)

Bangalore, 26th June, 2014

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

The Board of Directors,
Titan Company 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, 2014

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.

26th June, 2014

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, 2014.

for **TITAN COMPANY LIMITED**

26th June, 2014

BHASKAR BHAT
Managing Director

Shareholders' Information

About the Company – at a glance

- Number of equity shareholders – 1,21,929
- Number of equity shares held – 88,77,86,160
- Stock exchanges in which the equity shares are listed:

  BSE Limited.

  National Stock Exchange of India Limited (NSE).
- 97.24% of the Company's equity capital is held in dematerialized form with NSDL and CDSL.
- TSR Darashaw Pvt Limited is the Registrar and Transfer Agents (R & TA) of the Company.
- Non Promoter/Public Shareholding as on 31st March 2014 – 416,778,240 amounting to 46.95%.

Investor Grievances handling Mechanism

Investor service matters are being handled by TSR Darashaw Pvt 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 TSR Darashaw Pvt Limited.

Dematerialization (Demat) of shares

Open Demat Account and dematerialize your shares

In the best interest of the investors it is suggested to convert their physical holdings of securities into demat holdings. 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 one has the option to hold and trade in the shares of the Company in electronic form.

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.

Benefits of Demat

- Reduces risks involved in holding physical certificates, 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 dematerialize 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 Dematerialization 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 will issue 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 demat 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 NECS (National Electronic Clearing Service wherever available) facility or by issuing warrants on which bank account details are printed for places where NECS facility is not available. The bank account number is mentioned on the dividend 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.

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 ISIN?

ISIN (International Securities Identification Number) is a unique 12 digit alpha-numeric identification number allotted for a security (e.g.- TITAN ISIN No : INE280A01028). 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

What is nomination facility and to whom is it more useful?

Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. This facility is mainly 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 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 upto two persons, 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.

Submit Nomination Form

Investors should register their nominations in case of physical shares with the Company's R&TA and in case of dematerialised shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed in order to be effective.

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 the rights shall vest with the nominee only in the event of death of all the joint shareholders.

Consolidate multiple portfolios

It is suggested to 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.

DIVIDEND

What are the modes by which the dividend is paid?

Dividend is paid under four modes viz:

- National Electronic Clearing Services (NECS)
- National Electronic Fund Transfer (NEFT)
- Direct Credit to shareholders' account by bank
- Physical dispatch of Dividend Warrant

What should a shareholder do in case of non-receipt of dividend?

Shareholders may write to the Company's R&TA, furnishing the particulars of the dividend not received, and quoting the folio number /DP ID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period and completion of reconciliation of the paid instruments by the Company's bankers, if the dividend warrant is still shown as unpaid, duplicate instrument will be issued.

No duplicate instruments will be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

What are the statutory provisions governing unpaid dividend?

As per the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF).

Further, all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF shall also be transferred by the Company in the name of IEPF.

The shareholders whose amounts and shares have been transferred to IEPF, shall be entitled to get refund of the dividend and claim the transfer of shares from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

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
31.03.2006	21st August 2006	20th August 2013
31.03.2007	27th July 2007	26th July 2014
31.03.2008	31st July 2008	30th July 2015
31.03.2009	27th July 2009	26th July 2016
31.03.2010	27th July 2010	26th July 2017
31.03.2011	28th July 2011	27th July 2018
31.03.2012	31st July 2012	30st July 2019
31.03.2013	1st August 2013	31st July 2020

Why the Company cannot take on record bank details in case of dematerialised shares?

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the bank account details furnished by the concerned Depository. Therefore, investors are requested to keep their bank particulars updated with their concerned DP.

Transfer of Shares

What is the procedure for transfer of shares in favour of transferee(s)?

Transferee(s) need to send share certificate(s) and self certified copy of the PAN card of the transferee(s) along with instrument of transfer in the prescribed Form SH-4 as per Companies Act, 2013, duly filled in, executed and with share transfer stamps affixed, to the Company's R&TA. It takes about 3 working days for the Company's R&TA to process the transfer from the date of lodgement, although the statutory time limit fixed for completing a transfer is 15 days under the Listing Agreement and one month under the Companies Act, 2013.

Is submission of Permanent Account Number (PAN) mandatory for transfer / transmission / transposition of shares in physical form?

SEBI has made it mandatory to furnish a copy of the PAN to the Company / R&TA in the following cases, viz., (a) for securities market transactions and off-market transactions involving transfer of shares in physical form; (b) Deletion of name of the deceased holder(s), where the shares are held in the name of two or more shareholders; (c) Transmission of shares to legal heir(s), where deceased shareholder was the sole holder of the shares; and (d)

Transposition of shares - where there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

What is the procedure for getting shares in the name of surviving shareholder(s), in case of joint holding, in the event of death of one shareholder?

The surviving shareholder(s) will have to submit a signed request letter supported by an attested copy of the death certificate of the deceased shareholder and accompanied by the relevant share certificate(s) and self certified copy of the PAN Card of the surviving shareholder(s) . The Company's R&TA, on receipt of the said documents and after due scrutiny, will delete the name of the deceased shareholder from its records and return the share certificate(s) to the surviving shareholder(s) with necessary endorsement.

What is the procedure for getting physical shares in the name of legal heir(s), in case of single holding and nomination is not registered, in the event of death of sole shareholder?

If the value of shares of the company as on the date of application is up to Rs. 2 lakhs, the legal heir(s) should submit the following documents along with a request letter : (a) transmission form (b) attested copy of the death certificate of the deceased shareholder (c) affidavit and the share certificate(s) in original, to the Company's R&TA for transmission of the shares in his / their name(s):

Indemnity made on appropriate non judicial stamp paper – indemnifying the Company.

If the value of shares of the company as on the date of application is more than Rs.2 lakhs, the legal heir(s) should submit the legal representation, viz. succession certificate / letters of administration / probate of will along with the transmission form, share certificate(s) in original.

What is the procedure for obtaining duplicate share certificate(s) in case of loss / misplacement of original share certificate(s)?

Shareholders who have lost / misplaced share certificate(s) should inform the Company's R&TA, immediately about loss of share certificate(s), quoting their folio number and details of share certificate(s), if available.

The R&TA shall immediately mark a 'stop transfer' on the folio to prevent any further transfer of shares covered by the lost share certificate(s). It is recommended that the shareholders should lodge a FIR with police station regarding loss of share certificate(s).

They should send their request for duplicate share certificate(s) to the Company's R&TA and submit documents as required by the R&TA.

What is the procedure to get the share certificates issued in various denominations consolidated into a single certificate?

Consolidation of share certificates helps in saving costs in the event of dematerialising shares and also provides convenience in holding the shares physically. Shareholder(s) having certificates in various denominations under the same folio should send all the certificates to the Company's R&TA for consolidation of all the shares into a single certificate.

If the shares are not under the same folio but have the same order of names, the shareholders should write to the Company's R&TA for the prescribed form for consolidation of folios. This will help the investors to efficiently monitor the holding and the corporate benefits receivable thereon.

Register e-mail address

To contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors are requested to register their e-mail addresses with TSR Darashaw Pvt. Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

Important:

The contents of this Referencer are for the purpose of general information. Readers are advised to refer to the relevant Acts / Rules / Regulations / Guidelines / Clarifications.

Independent Auditors' Report

TO THE MEMBERS OF TITAN COMPANY LIMITED (formerly known as TITAN INDUSTRIES LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of **TITAN COMPANY LIMITED** (formerly known as **TITAN INDUSTRIES LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 227(3) of the Act, we report that:

   (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.

   (c) The Balance Sheet, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

V. Srikumar
Partner
(Membership No. 84494)

Bangalore, 6th May, 2014

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities/results during the year, clauses (xii), (xiii), (xiv), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

i) In respect of fixed assets:

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanations 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.

ii) 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.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Act.

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

v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, 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 needed 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 ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

vi) 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 Act.

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

viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix) 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.

(b) There were no 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 in arrears as at 31st March 2014, for a period of more than six months from the date they become payable.

(c) 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, 2014 on account of disputes are given below:

Name of Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Income-tax Act, 1961	Income tax	High Court	1997-98	2.39
		Income Tax Appellate Tribunal	2002-03	25.21
		Commissioner of Income Tax (Appeals)	2009-11	963.65
Sales Tax Laws	Sales tax	High Court	2000-01	71.55
		Commercial Tax Appellate Board	2008-10	173.49
		Appellate & Revisional Board	2005-06	34.73
		Additional Commissioner of Sales Tax	2003-04, 2010-11	31.58
		Deputy Commissioner of Sales Tax	2000-01, 2002-06	210.80
		Deputy Commissioner (Appeals) of Sales Tax	2010-13	774.12
		Senior Joint Commissioner of Sales Tax	2010-11	125.49
		Joint Commissioner of Sales Tax	2010-12	110.22
		Joint Commissioner (Appeals) of Sales Tax	2005-06	7.62
		Assistant Commissioner of Sales Tax	2004-05	5.99
		Assistant Commissioner (Appeals) of Sales Tax	2013-14	25.93
		Commercial Tax Inspector of Sales Tax	2010-11	6.28
The Customs Act, 1962	Customs duty	Supreme Court	1989-94	316.94
The Central Excise Act, 1944	Excise duty	Supreme Court	May 2005 to March 2009	2,272.59
		High Court	July 2001 to July 2002	0.42
		Customs, Excise and Service Tax Appellate Tribunal	March 1987 to 1990, 1996 to 1999, April 2000 to September 2004, April 2006 to March 2012	11,079.04
		Commissioner of Central Excise (Appeals)	April 2001 to March 2013	314.49
		Additional Commissioner of Central Excise	July 1999 to November 1999, April 2008 to March 2012	14.54
		Assistant Commissioner of Central Excise	1996 - 97, 1998 – 2001, 2004-08	393.22

x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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. There are no dues to financial institutions.

xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others 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 by the Company 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 of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.

xvi) 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
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bangalore, 6th May, 2014

Balance Sheet as at 31 March 2014

₹ lakhs

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2.1	8,877.86	8,877.86
Reserves and surplus	2.2	243,517.96	187,609.17
		252,395.82	196,487.03
(2) Non-current liabilities			
Long-term provisions	3	7,176.28	6,289.60
		7,176.28	6,289.60
(3) Current liabilities			
Short-term borrowings	4	80,627.23	-
Trade payables	5	85,773.02	209,726.37
Other current liabilities	6	153,609.60	145,734.86
Short-term provisions	7(a)	31,120.33	29,317.75
		351,130.18	384,778.98
Total		**610,702.28**	587,555.61
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	8(a)	59,034.40	44,021.96
Intangible assets	8(b)	589.25	841.79
Capital work-in-progress		3,287.40	4,166.24
		62,911.05	49,029.99
Non-current investments	9	2,657.06	1,850.90
Deferred tax asset (net)	10	934.98	803.78
Long-term loans and advances			
Capital advances (Unsecured and considered good)		1,704.59	1,173.42
Other advances	11	18,667.40	16,048.57
		20,371.99	17,221.99
		86,875.08	68,906.66
(2) Current assets			
Inventories	12(a)	386,719.44	367,794.49
Trade receivables	13	15,202.21	16,379.09
Cash and bank balances	14	88,892.88	113,654.54
Short-term loans and advances	15	31,342.09	19,868.62
Other current assets	16	1,670.58	952.21
		523,827.20	518,648.95
Total		**610,702.28**	587,555.61

See accompanying notes forming part of the financial statements

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

V. Srikumar
Partner

Bangalore, 6th May 2014

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Statement of Profit and Loss for the year ended 31 March 2014

₹ lakhs

	Particulars	Note No.	Current Year	Previous Year
I.	**Revenue from operations (gross)**	17	1,095,514.39	1,020,635.82
	Less: Excise duty	17	3,935.01	9,368.74
	Revenue from operations (net)		**1,091,579.38**	1,011,267.08
II.	**Other Income**	18	12,018.57	10,077.09
III.	**Total Revenue (I + II)**		**1,103,597.95**	1,021,344.17
IV.	**Expenses:**			
	Cost of materials and components consumed	26(a)	655,878.43	675,372.88
	Purchase of traded goods	26(b)	159,141.61	155,509.54
	(Increase)/ decrease in finished goods, work-in-progress and stock-in-trade	19	(9,956.58)	(81,288.42)
	Employee benefits expense	20	53,448.67	48,452.51
	Finance costs	32	8,711.08	5,064.00
	Depreciation and amortization expense		6,558.99	5,448.89
	Other expenses	21	128,222.95	112,157.96
Total Expenses			**1,002,005.15**	920,717.36
V.	Profit before tax (III - IV)		**101,592.80**	100,626.81
VI.	Tax expense:			
	Current tax		26,300.00	28,535.00
	Deferred tax		(131.20)	(426.29)
	Taxes of earlier years		1,309.95	-
Total Tax			**27,478.75**	28,108.71
VII.	Profit after tax (V-VI)		**74,114.05**	72,518.10
VIII.	Earnings per equity share of ₹ 1:	40		
	Basic		8.35	8.17
	Diluted		8.35	8.17

See accompanying notes forming part of the financial statements

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

V. Srikumar
Partner

Bangalore, 6th May 2014

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Cash Flow Statement for the year ended 31 March 2014

₹ lakhs

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	101,592.80	100,626.81
Adjustments for :		
- Depreciation/Amortisation	6,558.99	5,448.89
- Unrealised exchange difference (net)	87.73	(1,202.46)
- Marked to Market loss	22.69	14.92
- Loss on sale/disposal/scrapping of fixed assets (net)	287.17	185.29
- Bad debts written off	1.21	-
- Provision for doubtful debts/ advances (net)	0.71	155.46
- Interest income	(11,944.07)	(9,986.94)
- Dividend income	(0.08)	(0.08)
- Finance cost	8,711.08	5,064.00
Operating profit before working capital changes	**105,318.23**	100,305.89
Adjustments for :		
- (Increase)/decrease in trade receivables	1,066.03	(198.67)
- (Increase)/decrease in inventories	(18,924.95)	(79,834.45)
- (Increase)/decrease in short-term loans and advances	1,133.24	(772.30)
- (Increase)/decrease in long-term loans and advances	(1,714.28)	(1,888.80)
- Increase/(decrease) in trade payables	(123,936.57)	22,363.27
- Increase/(decrease) in other current liabilities	7,757.34	40,387.99
- Increase/(decrease) in long-term provisions	886.68	534.31
- Increase/(decrease) in short-term provisions	1,802.58	1,893.11
Cash generated from operations	**(26,611.70)**	82,790.35
- Direct taxes paid	**(28,514.50)**	(27,480.62)
Net cash from/ (used in) operating activities	**(55,126.20)**	55,309.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets (including capital work-in-progress and capital advances)	(20,879.21)	(16,642.81)
Proceeds from sale of fixed assets	159.56	379.73
Purchase of investments in subsidiaries	(806.16)	(279.59)
Inter-corporate deposits (net)	(9,000.00)	(10,000.00)
Dividends received	0.08	0.08
Interest received	11,225.70	12,310.19
Net cash used in investing activities	**(19,300.03)**	(14,232.40)

Cash Flow Statement (Contd.) for the year ended 31 March 2014

₹ lakhs

Particulars	Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	175,627.23	-
Repayment of borrowings	(95,542.22)	(542.22)
Dividends paid	(18,522.63)	(15,435.02)
Tax on dividends paid	(3,168.46)	(2,520.37)
Finance cost	(8,711.08)	(5,064.00)
Net cash from/ (used in) financing activities	**49,682.84**	(23,561.61)
Net cash flows during the year (A+B+C)	**(24,743.39)**	17,515.72
Cash and bank balances (opening balance)	113,654.54	96,053.00
Add: Cash and bank balances acquired on amalgamation	-	448.26
Add/(Less): Unrealised exchange (gain)/ loss	44.07	(318.37)
	113,698.61	96,182.89
Cash and bank balances (closing balance)	88,892.88	113,654.54
Add/(Less): Unrealised exchange (gain)/ loss	62.34	44.07
	88,955.22	113,698.61
Increase/(decrease) in cash and bank balances	**(24,743.39)**	17,515.72

See accompanying notes forming part of the financial statements.

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

V. Srikumar
Partner

Bangalore, 6th May 2014

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal

Directors

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 01 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of accounting and preparation of financial statements: The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of estimates: The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

iii. Revenue recognition: Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides when the goods are dispatched from the factory/ stock points / or delivered to customers as per the terms of the contract. Service revenue is recognised on rendering services.

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.

iv Tangible fixed assets: All fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the balance sheet date.

v. Depreciation: The following assets are depreciated/amortised over the useful lives under the straight-line method :

Computers and vehicles	- 4 years
Furniture & Fixtures	- 5 years

In respect of all other assets, depreciation is provided under the straight-line method at the rates and in the manner prescribed under Schedule XIV of the 1956 Act, based on the technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates.

vi. Intangible assets and amortisation: Trademarks are capitalised at acquisition cost including directly attributable cost and 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.

vii. 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 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 statement of profit and loss.

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 statement of profit and loss of the reporting period in which the exchange rates change.

viii. 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.

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 re-measured 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 statement of profit and loss.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 01 **SIGNIFICANT ACCOUNTING POLICIES**

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 the statement of profit and loss. 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 statement of profit and loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the statement of profit and loss as they arise.

ix. Investments: All long term investments are valued at cost. Provision for diminution in value is made to recognise any decline, other than temporary, in the value of investments.

x. Inventories: Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed Gold)] are stated at the lower of cost and net realizable value. Cost 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.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Unfixed gold is valued at the gold prices prevailing on the period closing date.

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

xii. Employee benefits:

Short term employee benefits

All short term employee benefits such as salaries, wages, bonus, special awards and 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 statement of profit and loss.

Defined contribution plan

Company's contributions to the Superannuation Fund which is managed by a Trust and Pension Fund administered by Regional Provident Fund Commissioner, are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Contribution to the Company's Provident Fund Trust is made at predetermined rates and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

Contribution to the Company's Gratuity Trust, liability towards pension of retired managing director and provision towards compensated absences are provided on the basis of an actuarial valuation using the projected unit credit method and are debited to the statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

xiii. 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.

xiv. 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.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 01 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents other income and expenses which relate to the company as a whole and are not allocated to segments.

xv. 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 assets/cash generating units. If any indication exists, an impairment loss is recognized when the carrying amount exceeds the greater of net selling price and value in use.

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.

NOTE 2.1 SHARE CAPITAL

		2014		2013	
		No. of shares in lakhs	Amount ₹ lakhs	No. of shares in lakhs	Amount ₹ lakhs
a)	Authorised				
	Equity share of ₹ 1 each with voting rights	12,000.00	12,000.00	12,000.00	12,000.00
	Redeemable cumulative preference shares of ₹ 100 each	40.00	4,000.00	40.00	4,000.00

		2014		2013	
		No. of shares in lakhs	Amount ₹ lakhs	No. of shares in lakhs	Amount ₹ lakhs
b)	Issued, subscribed and fully paid up				
	Equity share of ₹ 1 each with voting rights	8,877.86	8,877.86	8,877.86	8,877.86

c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

	2014		2013	
	No. lakhs	₹ lakhs	No. lakhs	₹ lakhs
Equity shares with voting rights				
At the beginning of the year	8,877.86	8,877.86	8,877.86	8,877.86
At the end of the year	8,877.86	8,877.86	8,877.86	8,877.86

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 2.1 **SHARE CAPITAL (CONTD.)**

e) Shareholders holding more than 5% shares in the Company

No. in lakhs

Name of shareholder	2014		2013	
	No. of shares held	% total holding	No. of shares held	% total holding
Tamilnadu Industrial Development Corporation Limited	2,474.77	27.88	2,474.77	27.88
Tata Group				
Tata Sons Limited	1,351.25	15.22	1,351.25	15.22
Kalimati Investment Company Limited	387.76	4.37	387.76	4.37
Tata Investment Corporation Limited	172.26	1.94	172.26	1.94
Tata Chemicals Limited	138.26	1.56	138.26	1.56
Tata Global Beverages Limited	92.48	1.04	92.48	1.04
Ewart Investments Limited	49.64	0.56	49.64	0.56
Tata International Limited	25.60	0.29	25.60	0.29
Piem Hotels Limited	18.06	0.20	18.06	0.20
Total - Tata Group	**2,235.31**	**25.18**	2,235.31	25.18
Jhunjhunwala Rakesh Radheshyam	616.73	6.95	601.26	6.77

f) Aggregate number of equity shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date

No. in lakhs

	2014	2013
Equity shares with voting rights		
Fully paid up by way of bonus shares	4,438.93	4,438.93

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 2.2 RESERVES AND SURPLUS

₹ lakhs

	2014	2013
Capital reserve	13.28	13.28
Capital redemption reserve	64.38	64.38
Securities premium account	13,888.27	13,888.27
Hedging reserve		
As per last balance sheet	168.17	0.57
Add : Effects of variation in commodity prices on hedging		
instruments outstanding at the end of the year	3,774.88	168.17
Less : Transferred to statement of profit and loss	168.17	0.57
	3,774.88	168.17
General reserve		
As per last balance sheet	90,336.00	58,526.00
Add : Transfer from surplus in statement of profit and loss	41,570.00	31,810.00
	131,906.00	90,336.00
Surplus in the statement of profit and loss		
Opening balance	83,139.07	63,619.32
Add: On amalgamation {Refer note 42}	-	623.62
Add: Profit for the year	74,114.05	72,518.10
	157,253.12	136,761.04
Less:		
Proposed dividend on equity shares	18,643.51	18,643.51
Tax on dividends	3,168.46	3,168.46
Transfer to general reserve	41,570.00	31,810.00
Net surplus in statement of profit and loss	**93,871.15**	83,139.07
Reserves and surplus	**243,517.96**	187,609.17

NOTE 03 LONG-TERM PROVISIONS

₹ lakhs

	2014	2013
Provision for compensated absences {Refer note 29(b)(ii)}	6,825.97	5,949.15
Provision for pension {Refer note 29(b)(ii)}	350.31	340.45
	7,176.28	6,289.60

NOTE 04 SHORT-TERM BORROWINGS

₹ lakhs

	2014	2013
Loans repayable on demand from banks		
Secured	60,627.23	-
Unsecured	20,000.00	-
	80,627.23	-

Secured loan represents cash credit secured by hypothecation of book debts, inventory, stores and spares both present and future and is taken at the interest rate linked to the base rate of the bank. Unsecured loan represents working capital demand loan and is taken at the interest rate of 10%.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 05

Trade payables include amounts due to micro enterprises and small enterprises as under:

₹ lakhs

		2014	2013
i)	Principal amounts unpaid	174.21	195.02
	Interest due on above	-	-
		174.21	195.02

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

iii) The above information 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.

NOTE 06 OTHER CURRENT LIABILITIES

₹ lakhs

	2014	2013
Advance from customers {Refer note (a) below}	141,815.52	135,271.10
Unclaimed dividends {Refer note (b) below}	460.19	339.31
Unclaimed matured fixed deposits	3.85	4.35
Unclaimed debenture and debenture interest	12.58	14.62
Foreign currency loan repayable within 12 months {Refer note (c) below}	-	603.44
Other Liabilities - Statutory dues	3,933.75	3,324.12
Payables on purchase of fixed assets	1,013.40	474.66
Other Liabilities - Others	6,370.31	5,703.26
	153,609.60	145,734.86

a) Advances from customers includes amounts of ₹ 129,864.47 lakhs (2013: ₹ 124,068.92 lakhs) received towards sale of jewellery products under various sale initiatives / retail customer programmes.

b) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 1.92 lakhs (2013: ₹ 1.62 lakhs) and therefore amounts relating to the same could not be transferred.

c) Foreign currency loan was secured by a first charge over the Company's present and future fixed (movable and immovable) assets and was repayable in 9 semi-annual installments starting February 2010.

NOTE 07 a) SHORT-TERM PROVISIONS

₹ lakhs

	2014	2013
Proposed dividend on equity shares	18,643.51	18,643.51
Tax on dividends	3,168.46	3,168.46
Provision for Gratuity {Refer note 29(b)(i)}	1,196.87	1,444.73
Provision for compensated absences {Refer note 29(b)(ii)}	955.35	761.38
Others {Refer note (c) below}	7,156.14	5,299.67
Total	**31,120.33**	29,317.75

b) The Board of Directors, in their meeting on 6 May, 2014, proposed a dividend of ₹ 2.10 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 1 August, 2014, and if approved, would result in a cash outflow of approximately ₹ 21,811.97 lakhs inclusive of corporate dividend tax of ₹ 3,168.46 lakhs.

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2013 was ₹ 2.10 per share.

c) Others includes

(i) Provision for warranty - ₹ 511.52 lakhs (2013: ₹ 536.20 lakhs).

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 07 **a) SHORT-TERM PROVISIONS** (Contd.)

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 ₹ 511.52 lakhs (2013: ₹ 536.20 lakhs) and ₹ 536.20 lakhs (2013: ₹ 373.95 lakhs) respectively.

(ii) Provision for customer loyalty programmes - ₹ 6,644.62 lakhs (2013: ₹ 4,763.47 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 based on past experience of redemption. Additional provision made and utilised/reversed during the year is ₹ 6,952.26 lakhs (2013: ₹ 4,650.67 lakhs) and ₹ 5,071.11 lakhs (2013: ₹ 3,493.74 lakhs) respectively.

NOTE 08 **a) TANGIBLE ASSETS**

(Previous year figures are in brackets)

Gross block ₹ lakhs

Particulars*	Gross block			
	Cost as at April 1, 2013	**Additions**	**Deductions**	**Cost as at March 31, 2014**
Land	2,139.04	5,626.57	0.16	7,765.45
	(815.44)	(1,323.68)	(0.08)	(2,139.04)
Land - leasehold	1,680.50	-	-	1,680.50
	(1,475.88)	(204.62)	(-)	(1,680.50)
Buildings	8,005.54	3,818.34	30.15	11,793.73
	(7,276.04)	(793.94)	(64.44)	(8,005.54)
Plant, machinery and equipment	54,872.57	8,511.31	1,552.98	61,830.90
	(49,646.91)	(6,121.41)	(895.75)	(54,872.57)
Furniture, fixtures and equipment	14,946.74	2,932.88	551.47	17,328.15
	(11,119.00)	(4,501.20)	(673.46)	(14,946.74)
Office equipment	1,847.53	406.97	38.55	2,215.95
	(1,226.67)	(695.90)	(75.04)	(1,847.53)
Vehicles	1,306.33	469.55	401.94	1,373.94
	(1,146.42)	(364.40)	(204.49)	(1,306.33)
Total	**84,798.25**	**21,765.62**	**2,575.25**	**103,988.62**
	(72,706.36)	(14,005.15)	(1,913.26)	(84,798.25)

* Represents owned assets, unless otherwise stated

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 08 (Contd.)

Tangible assets - Depreciation and net block

₹ lakhs

Particulars	Accumulated depreciation				Net block	
	Upto March 31, 2013	Depreciation for the year	On deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land	-	-	-	-	7,765.45	2,139.04
	(-)	(-)	(-)	(-)	(2,139.04)	(815.44)
Land - leasehold	-	-	-	-	1,680.50	1,680.50
	(-)	(-)	(-)	(-)	(1,680.50)	(1,475.88)
Buildings	2,495.44	267.70	5.96	2,757.18	9,036.55	5,510.10
	(2,287.26)	(219.55)	(11.37)	(2,495.44)	(5,510.10)	(4,988.78)
Plant, machinery and equipment	30,345.65	2,934.70	1,332.77	31,947.58	29,883.32	24,526.92
	(28,719.42)	(2,261.91)	(635.68)	(30,345.65)	(24,526.92)	(20,927.49)
Furniture, fixtures and equipment	6,981.33	2,675.87	430.97	9,226.23	8,101.92	7,965.41
	(5,138.67)	(2,337.68)	(495.02)	(6,981.33)	(7,965.41)	(5,980.33)
Office equipment	266.78	159.59	17.44	408.93	1,807.02	1,580.75
	(188.40)	(111.83)	(33.45)	(266.78)	(1,580.75)	(1,038.27)
Vehicles	687.09	268.59	341.38	614.30	759.64	619.24
	(597.16)	(264.75)	(174.82)	(687.09)	(619.24)	(549.26)
Total	**40,776.29**	**6,306.45**	**2,128.52**	**44,954.22**	**59,034.40**	**44,021.96**
	(36,930.91)	(5,195.72)	(1,350.34)	(40,776.29)	(44,021.96)	(35,775.45)

b) Intangible assets

(Acquired) ₹ lakhs

Gross block	**2014**	**2013**
As at April 1, 2013	6,321.11	6,327.11
Additions during the year	-	-
Deductions during the year	-	6.00
As at March 31, 2014	**6,321.11**	6,321.11
Accumulated amortisation		
Upto March 31, 2013	5,479.32	5,230.05
Amortisation for the year	252.54	253.17
Deductions during the year	-	3.90
As at March 31, 2014	**5,731.86**	5,479.32
Net block	**589.25**	841.79

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 09 NON-CURRENT INVESTMENTS

₹ lakhs

	2014	2013
Investments (at cost)		
Trade - unquoted		
Investments in equity instruments		
In subsidiary companies		
25,25,000 (2013 : 19,00,000) fully paid equity shares of ₹ 10 each in Titan TimeProducts Limited	487.70	237.70
Nil (2013 : 6,25,000) partly paid equity shares of ₹ 10 each in Titan TimeProducts Limited	-	25.00
1,31,257 (2013 : 91,257) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	1,657.21	1,076.05
In associate company		
15,00,000 (2013: 15,00,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {Refer note (a) below}	150.00	150.00
	2,294.91	1,488.75
Investments in bond		
In subsidiary company		
1 (2013: 1) fully paid Zero Coupon Unsecured Optionally Convertible Bond of ₹ 250 lakhs in Titan TimeProducts Limited	250.00	250.00
	250.00	250.00
	2,544.91	1,738.75

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 09 **NON-CURRENT INVESTMENTS** (Contd.)

₹ lakhs

	2014	2013
Other investments		
Investments in equity instruments - quoted		
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Timex Watches Limited	0.01	0.01
1,000 (2013 : 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0.10	0.10
2,025 (2013 : 2,025) fully paid equity shares of ₹ 10 each in Tata Steel Limited	4.62	4.62
6,000 (2013 : 6,000) fully paid equity shares of ₹ 1 each in Tata Global Beverages Limited	2.34	2.34
560 (2013 : 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	1.40	1.40
300 (2013 : 300) fully paid equity shares of ₹ 10 each in Trent Limited	0.92	0.92
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Titan Biotech Limited	0.02	0.02
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Titan Securities Limited	0.01	0.01
	9.42	9.42
Less : Provision for diminution	0.03	0.03
	9.39	9.39
Investments in equity instruments - unquoted		
1,14,663 (2013: 1,14,663) fully paid equity shares of ₹ 50 each in The Central India Spinning and Weaving Mills Limited	-	-
97,624 (2013: 97,624) fully paid equity shares of ₹ 25 each in Tata Mills Limited	-	-
400 (2013: 400) fully paid equity shares of ₹ 25 each in The Central India Press Limited	-	-
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Titan Alloys Limited	0.02	0.02
100 (2013: 100) fully paid equity shares of ₹ 10 each in Titan Foods and Fashions Limited	0.01	0.01
5,25,000 (2013: 5,25,000) fully paid equity shares of ₹ 10 each in Innoviti Embedded Solutions Private Limited	100.00	100.00
27,600 (2013: 27,600) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Projects Limited	2.76	2.76
	102.79	102.79
Less : Provision for diminution	0.03	0.03
	102.76	102.76
	2,657.06	1,850.90
Aggregate amount of quoted investments	9.39	9.39
Aggregate market value of listed and quoted investments	22.09	19.22
Aggregate value of listed but not quoted investments	-	-
Aggregate amount of unquoted investments	**2,647.67**	1,841.51

a) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited (formerly known as TVS Wind Power Limited) in accordance with the Equity Participation agreement.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 10 DEFERRED TAX ASSET

Major components of deferred tax arising on account of timing differences are:

₹ lakhs

	2013	Tax effect for the year	2014
Deferred Tax (Liability)			
Fixed assets	(2,575.10)	(478.18)	(3,053.28)
Sub-total	(2,575.10)	(478.18)	(3,053.28)
Deferred Tax Asset			
Provision for doubtful debts	116.96	0.24	117.20
Employee benefits	2,268.09	304.93	2,573.02
Others	993.83	304.21	1,298.04
Sub-total	3,378.88	609.38	3,988.26
Net Deferred Tax Asset / (Liability)	803.78	131.20	**934.98**

NOTE 11 OTHER ADVANCES UNDER LONG-TERM LOANS AND ADVANCES

Unsecured and considered good

₹ lakhs

	2014	2013
Security deposits	9,346.05	8,153.05
Employee loans	1,482.63	961.31
Other deposits	171.73	194.24
Tax payments, net of provisions	6,495.86	5,591.31
Balance with revenue authorities	1,171.13	1,148.66
	18,667.40	16,048.57

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 12

a) Inventories ₹ lakhs

	2014	2013
Raw materials	56,700.09	46,540.66
Work-in-progress {Refer (b) below}	12,650.95	13,286.24
Finished goods	215,777.85	222,049.21
Stock in trade	99,953.87	83,090.64
Store and spares	872.72	2,242.23
Loose tools	763.96	585.51
	386,719.44	367,794.49

	2014	2013
Included above, goods in transit		
Raw materials	735.58	233.48
Stock in trade	73.84	-
Finished goods	5.65	153.53
	815.07	387.01

b) Details of inventory of work-in-progress		
Watches	8,524.06	9,144.31
Jewellery	2,804.59	2,264.65
Others	1,322.30	1,877.28
	12,650.95	13,286.24

NOTE 13 **TRADE RECEIVABLES (UNSECURED)**

₹ lakhs

	2014	2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	1,367.66	795.75
Considered doubtful	344.82	344.11
	1,712.48	1,139.86
Less : Provision for doubtful debts	344.82	344.11
	1,367.66	795.75
Other trade receivables		
Considered good	13,834.55	15,583.34
	15,202.21	16,379.09

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 14 CASH AND BANK BALANCES

₹ lakhs

	2014	2013
Cash and cash equivalents		
Balance with banks	8,334.31	12,637.70
Cheques and drafts on hand	2,892.13	2,778.01
Cash on hand	2,427.44	1,383.29
Short-term deposits with banks	-	11,500.00
	13,653.88	28,299.00
Other bank balances		
a) Earmarked balances with banks		
Unclaimed dividend	458.27	337.69
Unclaimed debenture and debenture interest	12.58	14.62
Share application money received for allotment of rights shares		
and due for refund	-	3.23
b) Fixed deposits held as margin money against bank guarantee	9,668.15	1,500.00
c) Short-term deposits with banks with more than three months		
maturity and less than twelve months	65,100.00	83,500.00
	75,239.00	85,355.54
Balance with banks includes funds in transit - ₹ 1,899.44 lakhs (2013: ₹ 2,268.45 lakhs)		
	88,892.88	113,654.54

NOTE 15 SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)

₹ lakhs

	2014	2013
Advances recoverable in cash or kind or for value to be received		
Inter-corporate deposits	19,000.00	10,000.00
Prepaid expenses	1,256.97	1,439.77
Security deposits	1,828.64	2,520.46
Employee loans	1,266.19	869.28
Other deposits	122.42	121.01
Advances to vendors	2,099.43	104.32
Others	2,396.86	1,529.86
	27,970.51	16,584.70
Considered doubtful	2,224.32	2,224.32
	30,194.83	18,809.02
Less : Provision for doubtful loans and advances	2,224.32	2,224.32
	27,970.51	16,584.70
Tax payments, net of provisions	-	-
Balance with revenue authorities	3,371.58	3,283.92
	31,342.09	19,868.62

NOTE 16 OTHER CURRENT ASSETS (Unsecured and considered good)

₹ lakhs

	2014	2013
Interest accrued on deposits	1,670.58	952.21
	1,670.58	952.21

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 17 REVENUE FROM OPERATIONS

₹ lakhs

	Current year	Previous year
Sale of products		
Manufactured goods		
Watches	161,163.31	127,983.34
Jewellery	700,597.95	660,934.58
Others	19,439.16	14,767.19
	881,200.42	803,685.11
Traded goods		
Watches	20,190.57	45,476.80
Jewellery	151,978.57	133,530.11
Others	29,759.88	25,588.37
	201,929.02	204,595.28
Total - Sale of products (a)	**1,083,129.44**	1,008,280.39
Sale of tools and components (b)	**1,826.65**	1,682.85
Income from services provided (c)	**487.15**	310.56
Other operating revenue		
Sale of precious / semi-precious stones	7,861.52	7,613.16
Sale of gold / platinum	1,731.65	2,110.19
Scrap sales	477.98	638.67
Total - Other operating revenue (d)	**10,071.15**	10,362.02
Revenue from operations (gross) (a+b+c+d)	**1,095,514.39**	1,020,635.82
Less : Excise duty	3,935.01	9,368.74
Revenue from operations (net)	**1,091,579.38**	1,011,267.08

Excise duty reduced from gross revenue from operations in the statement of profit and loss represents excise duty on sale of products.

NOTE 18 OTHER INCOME

₹ lakhs

	Current year	Previous year
Interest from staff loans, vendor advances, inter-corporate deposits and bank deposits	11,944.07	9,986.94
Dividends on non-current investments	0.08	0.08
Miscellaneous income	74.42	90.07
	12,018.57	10,077.09

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 19 (INCREASE) / DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ lakhs

	Current year	Previous year
Closing stock		
Finished goods	215,777.85	222,049.21
Work-in-progress	12,650.95	13,286.24
Stock-in-trade	99,953.87	83,090.64
	328,382.67	318,426.09
Opening stock		
Finished goods	222,049.21	162,020.40
Work-in-progress	13,286.24	12,100.02
Stock-in-trade	83,090.64	63,017.25
	318,426.09	237,137.67
(Increase) / decrease in inventory	**(9,956.58)**	(81,288.42)

NOTE 20 EMPLOYEE BENEFITS EXPENSE

₹ lakhs

	Current year	Previous year
Salaries, wages and bonus	45,199.22	41,175.30
Company's contribution to provident and other funds	2,261.57	1,838.00
Welfare expenses	4,791.01	3,994.48
Gratuity {Refer Note 29(b)(i)}	1,196.87	1,444.73
	53,448.67	48,452.51

NOTE 21 OTHER EXPENSES

₹ lakhs

	Current year	Previous year
Loose tools, stores and spare parts consumed	8,836.76	7,877.44
Agency labour	4,846.28	4,137.53
Power and fuel	3,735.24	3,347.28
Repairs to buildings	378.97	352.28
Repairs to plant and machinery	1,188.45	1,208.53
Advertising	40,442.60	37,709.41
Selling and distribution expenses	11,739.28	9,114.09
Insurance	459.78	511.13
Rent	16,065.26	14,273.96
Increase / (decrease) of excise duty on inventory	(1,129.62)	(1,939.52)
Rates and taxes {Refer note 31}	10,747.63	11,173.04
Travel	2,882.71	2,393.25
Bad debts written off	1.21	-
Provision for doubtful debts / advances	0.71	155.46
Loss on sale / disposal / scrapping of fixed assets (net)	287.17	185.29
Gold price hedging costs (net)	1,976.50	110.81
General expenses *	25,399.04	21,294.70
Directors' fees	16.38	14.69
Commission to Non Whole-time Directors	350.00	350.00
Expenses capitalised	(1.40)	(111.41)
	128,222.95	112,157.96

* Includes exchange (gain) / loss (net) of ₹ 255.83 lakhs (2013: ₹ (619.95) lakhs)

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 22

Contingent liabilities not provided for - ₹ 23,356.23 lakhs (2013: ₹ 21,409.30 lakhs) comprising of the following:
Sales Tax - ₹ 2,500.49 lakhs (2013: ₹ 1,702.54 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Customs Duty - ₹ 316.94 lakhs (2013: ₹ 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)

Excise Duty - ₹ 15,162.51 lakhs (2013: ₹ 14,942.39 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax and excise duty on jewellery)

Income Tax - ₹ 4,913.66 lakhs (2013: ₹ 4,041.79 lakhs)
(relating to disallowance of deductions claimed)

Others - ₹ 462.63 lakhs (2013: ₹ 405.64 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.

NOTE 23

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 9,851.92 lakhs (2013: ₹ 4,855.28 lakhs).

NOTE 24

The Company has received show cause notices from the Excise authorities aggregating to ₹ 21,334.81 lakhs (2013: ₹ 14,699.99 lakhs) without quantifying interest and penalty, relating to the disallowance of cenvat credit availed. The Company has been legally advised that the notice is not sustainable.

NOTE 25 **OTHER COMMITMENTS**

a) Non-fund based facilities availed of ₹ 14,754.64 lakhs (2013: ₹ 25,121.10 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. The security covered rank pari passu with the security for the cash credit facility.

b) Estimated amount of contracts remaining to be executed on revenue account and not provided for is ₹ 223.25 lakhs (2013: ₹ Nil).

c) Uncalled liability on partly paid shares of subsidiary is ₹ Nil including premium (2013: ₹ 225.00 lakhs).

NOTE 26

a) Cost of materials and components consumed:

₹ lakhs

	Current year	Previous year
Precious metals - Gold *	556,007.42	587,075.01
- Others	804.81	1,425.39
Brass	1,205.58	1,220.22
Steel	1,123.54	1,292.85
Components	70,710.74	53,660.98
Precious and semi-precious stones **	23,111.02	28,005.59
Sundry charges	2,915.32	2,692.84
	655,878.43	675,372.88

* Includes gold/ platinum sold costing ₹ 1,815.50 lakhs (2013: ₹ 2,027.31 lakhs)

** Includes precious and semi-precious stones sold costing ₹ 7,804.69 lakhs (2013: ₹ 6,876.06 lakhs)

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 26 (Contd.)

b) Purchase of traded goods

₹ lakhs

	Current year	Previous year
Watches	12,502.81	22,685.68
Jewellery	139,029.67	121,472.59
Others	7,609.13	11,351.27
	159,141.61	155,509.54

NOTE 27

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

	Current year		Previous year	
	₹ lakhs	%	₹ lakhs	%
Imported				
CIF Value	108,529.09	16	309,250.68	46
Customs duties	10,836.06	2	14,505.75	2
	119,365.15	18	323,756.43	48
Indigenous	536,513.28	82	351,616.45	52
	655,878.43	**100**	675,372.88	100

NOTE 28 **ANALYSIS OF IMPORTS ON CIF BASIS**

₹ lakhs

	Current year	Previous year
Raw materials and components	100,267.08	286,957.42
Stores and spares	1,062.38	1,016.86
Capital goods	2,568.55	2,059.98
	103,898.01	290,034.26

NOTE 29 **EMPLOYEE BENEFITS**

a. Defined Contribution Plans

i) The contributions recognized in the statement of profit and loss during the year are as under:

₹ lakhs

	Current year	Previous year
Defined Contribution Plan		
Provident Fund	1,321.38	1,038.57
Superannuation Fund	447.88	388.33
National Pension Scheme	35.06	-
Employee Pension Fund (EPF)	457.25	411.10
Total	**2,261.57**	1,838.00

ii) 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. Based on the actuarial valuation, there is no shortfall in the interest payable by the Trust to the beneficiaries as on the balance sheet date.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 29 (Contd.)

b. Defined Benefit Plans

(i) Funded

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 following table sets out the funded status and amounts recognised in the Company's financial statements for Gratuity:

₹ lakhs

		Current year	Previous year
I	**Net asset / (liability) recognized in the balance sheet**		
1	Present value of funded obligations	12,251.85	10,749.46
2	Fair value of plan assets	(11,054.98)	(9,304.73)
3	(Deficit) / surplus	(1,196.87)	(1,444.73)
4	Net asset / liability		
	- Assets	-	-
	- Liabilities - Current	1,196.87	1,444.73
II	**Expense recognized in the statement of profit and loss**		
1	Current service cost	775.86	565.28
2	Interest cost	915.87	762.01
3	Expected return on plan assets	(706.28)	(589.13)
4	Actuarial losses/ (gains)	211.42	706.57
5	Past service cost	-	-
	Total expenses recognised under the head 'Gratuity' {Refer note 20}	1,196.87	1,444.73
III	**Change in present value of obligation**		
1	Present value of defined benefit obligation at the beginning of the year	10,749.46	8,518.30
2	Current service cost	775.86	565.28
3	Interest cost	915.87	762.01
4	Actuarial losses/(gains)	27.02	1,149.89
5	Past service cost	-	-
6	Benefits paid	(216.36)	(246.02)
7	Present value of defined benefit obligation at the end of the year	12,251.85	10,749.46
IV	**Change in fair value of plan assets**		
1	Fair value of plan assets at the beginning of the year	9,304.73	7,626.28
2	Expected return on plan assets	706.28	589.13
3	Actuarial (losses)/ gains	(184.40)	443.32
4	Assets distributed on settlement	-	-
5	Contributions by employer	1,444.73	892.02
6	Benefits paid	(216.36)	(246.02)
7	Fair value of plan assets at the end of the year	11,054.98	9,304.73
	Actual return on plan assets	521.87	1,032.45
V	**The major categories of plan assets as a percentage of total plan assets**		
1	Government of India securities	56%	53%
2	Corporate bonds	41%	42%
3	Others	3%	5%

Notes forming part of the Financial Statements for the year ended 31 March 2014

VI Experience adjustments

	2014	2013	2012	2011	2010
Defined benefit obligation	12,251.85	10,749.46	8,518.30	7,292.47	5,126.23
Plan assets	11,054.98	9,304.73	7,626.28	5,425.93	4,191.14
Surplus / (deficit)	(1,196.87)	(1,444.73)	(892.02)	(1,866.54)	(935.09)
Experience adjustments on plan liabilities	1,568.72	637.59	373.15	501.56	184.56
Experience adjustments on plan assets	(184.40)	443.32	28.22	28.20	9.78

	Current year	Previous year
VII Principal actuarial assumptions		
Discount rate	9.15% p.a	8.15% 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 Indian Assured Lives Mortality (2006-08) ULT table.

Expected rate of return on plan assets is based on expected average long-term rate of return on investments of the fund during the estimated term of the obligations. The Company is expected to contribute ₹ 1,196.87 lakhs to the gratuity fund next year.

(ii) Unfunded

The defined benefit obligations which are provided for but not funded are as under:

₹ lakhs

	Liability as on March 31, 2014	Liability as on March 31, 2013
Compensated absences		
Non-current	6,825.97	5,949.15
Current	955.35	761.38
	7,781.32	6,710.53
Pension - Non-current	350.31	340.45

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.

NOTE 30

Auditors remuneration comprises fees for audit of statutory accounts ₹ 122.00 lakhs (2013: ₹ 102.00 lakhs), taxation matters ₹ 28.75 lakhs (2013: ₹ 27.80 lakhs), audit of consolidated accounts ₹ 9.00 lakhs (2013: ₹ 8.40 lakhs), other services ₹ 32.15 lakhs (2013: ₹ 28.36 lakhs) and reimbursement of levies and expenses ₹ 32.62 lakhs (2013: ₹ 32.36 lakhs).

NOTE 31

Rates and taxes include ₹ 5,536.10 lakhs (2013: ₹ 5,390.99 lakhs) being the excise duty paid on watch components transferred from Hosur factory to Dehradun, Roorkee and Pantnagar factories.

Notes forming part of the Financial Statements for the year ended 31 March 2014

NOTE 32 FINANCE COSTS INCLUDES

₹ lakhs

	Current year	Previous year
Interest expense on :		
Borrowings	3,170.35	133.15
Gold on lease charges / interest on gold loan	4,330.52	4,918.02
Others	28.46	12.83
	7,529.33	5,064.00
Other borrowing cost :		
Commercial paper discounting charges	1,181.75	-
Total	**8,711.08**	5,064.00

NOTE 33 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:

₹ lakhs

	Current year	Previous year
Royalty	51.64	31.79
Professional and consultancy services	988.23	983.08
Interest	26.83	71.53
Others	3,236.53	2,539.34

NOTE 34

Amount remitted by the Company in foreign currency on account of dividends: ₹ lakhs

	Current year	Previous year
Number of Shareholders	3	3
Number of equity shares on which dividend was paid	347,000	347,000
Year to which the dividend related	2012-13	2011-12
Amount remitted (net of tax) (₹ lakhs)	7.29	6.07

NOTE 35 EARNINGS IN FOREIGN EXCHANGE

₹ lakhs

	Current year	Previous year
Export of goods on FOB basis	22,039.38	19,731.49
Others	72.50	52.28

NOTE 36

Revenue expenditure directly attributable to research and development is estimated at ₹ 529.48 lakhs (2013: ₹ 429.30 lakhs)

NOTE 37

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

₹ lakhs

	2014	2013
For a period not later than one year	3,524.21	4,066.35
For a period later than one year but not later than five years	2,505.96	3,734.42
For a period later than five years	-	-
Total	**6,030.17**	7,800.77

Notes forming part of the Financial Statements for the year ended 31 March 2014

b) The Company has taken the above operating leases for non-cancellable periods ranging from 7 months to 60 months. The leases are renewable by mutual consent.

c) Lease rentals recognised in the statement of profit and loss in respect of the above operating leases is ₹ 3,661.04 lakhs (2013: ₹ 3,961.92 lakhs).

NOTE 38

a) Gold futures outstanding as at the year end - 6,246 kgs, ₹ 175,224.04 lakhs (2013: 999 kgs, ₹ 30,193.84 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 Nil (2013: US Dollars 11.11 lakhs) equivalent to ₹ Nil (2013: ₹ 603.44 lakhs).

The Company has 4 forward exchange contracts for US Dollars 13.50 lakhs equivalent to ₹ 808.92 lakhs (2013: Nil forward exchange contracts for US Dollars Nil equivalent to ₹ Nil) and 4 forward exchange contracts for HKD 135.00 lakhs equivalent to ₹ 1,042.20 lakhs (2013: Nil forward exchange contracts for HKD Nil equivalent to ₹ Nil) for firm commitment of purchases.

Marked to Market loss of ₹ 22.69 lakhs (2013 : ₹ 14.92 lakhs) has been recognized in the statement of profit and loss on these outstanding contracts.

c) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2014 are given below:

i) Amounts receivable in foreign currency as at March 31, 2014
(Previous year figures are in brackets)

Amount in lakhs

	₹	Foreign currency
USD	**6,308.32**	105.31
	(3,330.33)	(61.33)
GBP	**208.87**	2.10
	(636.37)	(7.75)
HKD	**554.50**	71.81
	(75.92)	(10.86)
EURO	**1,730.44**	21.03
	(25.90)	(0.37)
CHF	**393.54**	5.82
	(53.36)	(0.94)
SGD	**177.88**	3.75
	(10.76)	(0.25)
JPY	**321.11**	549.09
	(-)	(-)

Notes forming part of the Financial Statements for the year ended 31 March 2014

ii) Amounts payable in foreign currency as at March 31, 2014
(Previous year figures are in brackets)

Amount in lakhs

	₹	Foreign currency
USD	**3,126.26**	52.17
	(2,306.18)	(42.46)
EURO	**439.13**	5.33
	(492.22)	(7.08)
HKD	**939.05**	121.64
	(413.79)	(59.11)
CHF	**270.26**	4.00
	(-)	(-)
JPY	**120.05**	205.03
	(6.65)	(11.55)
GBP	**12.14**	0.12
	(78.52)	(0.95)
SEK	**6.18**	0.62
	(7.64)	(0.92)
SGD	**177.47**	3.73
	(-)	(-)

NOTE 39

Related party disclosures :

Names of related parties and description of relationship:

a) Promoters	Tamilnadu Industrial Development Corporation Limited Tata Sons Limited
b) Subsidiaries	Titan TimeProducts Limited Favre Leuba AG
c) Associate	Green Infra Wind Power Theni Ltd (formerly known as TVS Wind Power Limited)
d) Key Management Personnel	Mr. Bhaskar Bhat, Managing Director

Notes forming part of the Financial Statements for the year ended 31 March 2014

Transactions with related parties during the year are set out in the table below:

(Previous year figures are in brackets)

₹ lakhs

Sl No.	Nature of transaction	Promoters	Subsidiaries	Associate	Key Management Personnel	Total
1	Purchase of components and raw materials	-	1,428.10	-	-	1,428.10
		(-)	(1,716.03)	(-)	(-)	(1,716.03)
2	Purchase of fixed assets	0.70	-	-	-	0.70
		(-)	(-)	(-)	(-)	(-)
3	Sale of components and finished goods	1.49	52.48	-	-	53.97
		(7.98)	(71.86)	(-)	(-)	(79.84)
4	Reimbursement of expenses	6.00	-	-	-	6.00
		(0.37)	(-)	(-)	(-)	(0.37)
5	Rent paid	50.56	-	-	-	50.56
		(50.56)	(-)	(-)	(-)	(50.56)
6	Purchase of power	-	-	312.05	-	312.05
		(-)	(-)	(420.91)	(-)	(420.91)
7	Dividend paid	8,034.64	-	-	-	8,034.64
		(6,016.89)	(-)	(-)	(-)	(6,016.89)
8	Commission and sitting fees to non whole-time directors	92.36	-	-	-	92.36
		(103.37)	(-)	(-)	(-)	(103.37)
9	Brand equity subscription	1,740.10	-	-	-	1,740.10
		(1,605.65)	(-)	(-)	(-)	(1,605.65)
10	Recovery of expenses	-	37.81	-	-	37.81
		(-)	(24.37)	(-)	(-)	(24.37)
11	Payment towards rendering of services	14.92	-	-	-	14.92
		(38.94)	(-)	(-)	(-)	(38.94)
12	Recovery towards rendering of services	-	128.09	-	-	128.09
		(-)	(137.70)	(-)	(-)	(137.70)
13	Sitting fees received	-	0.42	-	-	0.42
		(-)	(0.51)	(-)	(-)	(0.51)
14	Managerial remuneration	-	-	-	446.98	446.98
		(-)	(-)	(-)	(389.15)	(389.15)
15	Subscription to Share capital / Application money	-	806.16	-	-	806.16
		(-)	(26.83)	(-)	(-)	(26.83)
16	Subscription to Zero Coupon Unsecured Optionally Convertible Bond	-	-	-	-	-
		(-)	(250.00)	(-)	(-)	(250.00)

Notes forming part of the Financial Statements for the year ended 31 March 2014

₹ lakhs

Balance as on balance sheet date	Promoters	Subsidiaries	Associate	Key Management Personnel	Total
Credit balance					
Tata Sons Ltd	1,301.71	-	-	-	1,301.71
	(1,161.56)	(-)	(-)	(-)	(1,161.56)
Tamilnadu Industrial Development Corporation Limited	89.25	-	-	-	89.25
	(100.10)	(-)	(-)	(-)	(100.10)
Titan TimeProducts Limited	-	2.69	-	-	2.69
	(-)	(0.86)	(-)	(-)	(0.86)
Green Infra Wind Power Theni Ltd (formerly known as TVS Wind Power Ltd)	-	-	2.63	-	2.63
	(-)	(-)	(5.11)	(-)	(5.11)
Mr.Bhaskar Bhat	-	-	-	268.40	268.40
	(-)	(-)	(-)	(236.96)	(236.96)

The above includes the following material related party transactions :-

₹ lakhs

Nature of transaction	Category	Name	Amount
(a) Purchase of components and raw materials	Subsidiary	Titan TimeProducts Limited	1,260.47
			(1,525.65)
	Subsidiary	Favre Leuba A G	167.63
			(190.38)
(b) Dividend paid	Promoter	Tamilnadu Industrial Development Corporation Limited	5,197.01
			(4,330.84)
	Promoter	Tata Sons Limited	2,837.63
			(1,686.05)
(c) Brand Equity Subscription	Promoter	Tata Sons Limited	1,740.10
			(1,605.65)
(d) Recovery towards rendering of services	Subsidiary	Titan TimeProducts Limited	128.09
			(137.70)
(e) Subscription to Share capital / Application Money	Subsidiary	Favre Leuba A G	581.16
			(1.83)
	Subsidiary	Titan TimeProducts Limited	225.00
			(25.00)
(f) Subscription to Zero Coupon Bonds	Subsidiary	Titan TimeProducts Limited	-
			(250.00)

NOTE 40 EARNINGS PER SHARE :

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

	2014	2013
Net profit after tax (₹ lakhs)	74,114.05	72,518.10
a) Weighted average number of equity shares	887,786,160	887,786,160
b) i) Nominal value of shares (₹)	1	1
ii) Earnings per share - Basic and diluted (₹)	8.35	8.17

Notes forming part of the Financial Statements for the year ended 31 March 2014

Segment information for the year ended March 31, 2014

a) Primary Business Segments
(Previous year figures are in brackets).

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue					
Net sales/income	178,889.36	862,742.28	49,947.74	-	1,091,579.38
(There is no inter-segment revenue)	(166,680.71)	(803,236.37)	(41,350.00)	(-)	(1,011,267.08)
Segment result					
Before finance costs, other income and taxes	18,701.71	84,891.55	348.42	(5,656.37)	98,285.31
	(19,278.98)	(81,521.74)	(-366.07)	(-4,820.93)	(95,613.72)
Add : Other Income	190.29	461.27	30.82	11,336.19	12,018.57
	(906.32)	(7,562.78)	(53.03)	(1,554.96)	(10,077.09)
Profit before finance costs and taxes	18,892.00	85,352.82	379.24	5,679.82	110,303.88
	(20,185.30)	(89,084.52)	(-313.04)	(-3,265.97)	(105,690.81)
Less : finance costs					8,711.08
					(5,064.00)
Profit before taxes					101,592.80
					(100,626.81)
Taxes					27,478.75
					(28,108.71)
Profit after taxes					74,114.05
					(72,518.10)

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Other Information					
Segment assets	95,738.66	372,796.67	30,040.06	111,191.91	609,767.30
	(99,508.49)	(422,574.16)	(26,077.99)	(38,591.19)	(586,751.83)
Segment liabilities	37,582.04	208,132.42	8,614.81	23,349.96	277,679.23
	(32,452.09)	(325,824.65)	(9,174.99)	(23,013.41)	(390,465.14)
Capital expenditure	3,238.79	6,930.34	3,468.75	7,248.90	20,886.78
	(5,193.64)	(7,460.72)	(2,221.88)	(809.94)	(15,686.18)
Depreciation/ amortisation	2,310.76	2,388.64	1,174.26	685.33	6,558.99
	(2,048.63)	(2,077.30)	(975.69)	(347.27)	(5,448.89)
Non cash expenses other than depreciation/ amortisation	103.41	0.52	146.70	-	250.63
	(454.89)	-	(17.43)	(15.29)	(487.61)

Total unallocable liabilities exclude

₹ lakhs

	2014	2013
Short-term borrowings	80,627.23	-
Foreign currency loan repayable within 12 months	-	603.44
Deferred tax liability / (asset) (Net)	(934.98)	(803.78)

b) Secondary geographical segments
(Previous year figures are in brackets)

	India	Others	Total
Revenue	1,069,239.71	22,339.67	1,091,579.38
	(991,290.93)	(19,976.15)	(1,011,267.08)

Notes forming part of the Financial Statements for the year ended 31 March 2014

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.

Due to considerable regulatory changes during the year in relation to purchase and funding of Gold, the Company has reviewed the definition of operating assets and as required by Accounting Standard 17 has not allocated certain operating assets to the business segments to reflect the current business practices and accordingly disclosed as unallocated under 'Corporate' Segment.

NOTE 42

During the previous year, pursuant to the Scheme of amalgamation of Titan Properties Limited (TPL) (wholly owned subsidiary of the Company) with the Company as sanctioned by the High Court of Madras, all assets and liabilities had been transferred to and vested in the Company retrospectively with effect from April 1, 2011.

The amalgamation had been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS) 14 - Accounting for Amalgamations notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves had been recorded at their respective book values in the accounts of the Company.

NOTE 43

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

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Bangalore, 6th May 2014

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary companies

1	**Name of Subsidiary**	**Titan TimeProducts Ltd.**	**Favre Leuba A.G.**
2	Financial year of the Subsidiary	31st March 2014	31st March 2014
3	Share of the Subsidiary held by Titan Company Limited on the above date :		
	a) Number of shares and face value	2,525,000 equity shares of ₹ 10 each (fully paid up)	131,257 equity shares of CHF 10 each (fully paid up)
	b) Extent of Holding	100%	100%
4	Net aggregate amount of profit/(loss) of the Subsidiary so far as they concern the members of Titan Company Limited		
	a) Dealt with in the accounts of Titan Company Limited for the year ended 31st March 2014	Nil	Nil
	b) Not dealt with in the accounts of Titan Company Limited for the year ended 31st March 2014	₹ (-) 28,236,481	₹ (-) 36,086,720
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 Company Limited		
	a) Dealt with in the accounts of Titan Company Limited for the year ended 31st March 2014	Nil	Nil
	b) Not dealt with in the accounts of Titan Company Limited for the year ended 31st March 2014	₹ 62,754,373	₹ (-) 6,459,648

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

V. Srikumar
Partner

Bangalore, 6th May 2014

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF TITAN COMPANY LIMITED (formerly known as TITAN INDUSTRIES LIMITED)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TITAN COMPANY LIMITED (formerly known as TITAN INDUSTRIES LIMITED)** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

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

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

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

V. Srikumar
Partner
(Membership No. 84494)

Bangalore, 6th May, 2014

Consolidated Balance Sheet as at 31 March 2014

₹ lakhs

Particulars	Note No.	As at 31-3-2014	As at 31-3-2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	4.1	8,877.86	8,877.86
Reserves and surplus	4.2	243,396.37	188,107.37
		252,274.23	196,985.23
(2) Non-current liabilities			
Long-term provisions	5	7,405.23	6,510.33
Deferred tax liabilities (net)	12(b)	55.49	22.32
		7,460.72	6,532.65
(3) Current liabilities			
Short-term borrowings	6	80,684.23	-
Trade payables	7	85,943.86	209,799.28
Other current liabilities	8	153,648.50	145,781.76
Short-term provisions	9	31,132.32	29,327.76
		351,408.91	384,908.80
Total		**611,143.86**	588,426.68
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	10(a)	60,050.22	44,662.43
Intangible assets	10(b)	1,372.54	1,727.98
Capital work-in-progress		3,287.40	4,176.11
		64,710.16	50,566.52
Non-current investments	11	309.37	290.64
Deferred tax asset (net)	12(a)	934.98	803.78
Long-term loans and advances	13	20,454.70	17,360.20
		86,409.21	69,021.14
(2) Current assets			
Inventories	14	386,939.48	368,032.96
Trade receivables	15	15,412.58	16,583.35
Cash and bank balances	16	89,267.43	113,904.24
Short-term loans and advances	17	31,444.58	19,932.69
Other current assets	18	1,670.58	952.30
		524,734.65	519,405.54
Total		**611,143.86**	588,426.68

See accompanying notes forming part of the consolidated financial statements.

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

V. Srikumar
Partner

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Bangalore, 6th May 2014

Statement of Consolidated Profit and Loss for the year ended 31 March 2014

₹ lakhs

Particulars		Note No.	Current year	Previous year
I.	Revenue from operations (gross)	19	1,096,900.46	1,021,798.96
	Less: Excise duty	19	4,161.28	9,469.57
	Revenue from operations (net)		**1,092,739.18**	1,012,329.39
II.	Other Income	20	12,022.20	10,088.52
Total Revenue (I + II)			**1,104,761.38**	1,022,417.91
III.	Expenses:			
	Cost of materials and components consumed		656,003.15	675,238.45
	Purchase of traded goods		159,125.44	155,493.12
	(Increase)/ decrease in finished goods, work-in-progress and stock-in-trade	21	(9,940.94)	(81,315.24)
	Employee benefits expense	22	54,042.82	48,983.06
	Finance costs	31	8,713.22	5,064.54
	Depreciation and amortization expense		6,754.55	5,623.07
	Other expenses	23	129,075.69	112,680.76
Total Expenses			**1,003,773.93**	921,767.76
IV.	Profit before tax (III-IV)		**100,987.45**	100,650.15
V.	Tax expense:			
	Current tax		26,300.00	28,588.15
	Deferred tax		(98.03)	(431.69)
	Taxes of earlier years		1,309.95	-
	Total Tax		**27,511.92**	28,156.46
VI.	Profit before share of profit of associate (IV-V)		73,475.53	72,493.69
	Less/ (Add): Share of loss/(profit) of associate	37	(18.73)	(44.01)
VII.	Net profit		**73,494.26**	72,537.70
VIII.	Earnings per equity share of ₹ 1:	35		
	(1) Basic		8.28	8.17
	(2) Diluted		8.28	8.17

See accompanying notes forming part of the consolidated financial statements.

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

V. Srikumar
Partner

Bangalore, 6th May 2014

Bhaskar Bhat
Managing Director

S. Subramaniam
Chief Financial Officer

A.R. Rajaram
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For and on behalf of the Board of Directors

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Ireena Vittal
Directors

Consoldiated Cash Flow Statement for the year ended 31 March 2014

₹ lakhs

		Current Year	Previous Year
A.	**Cash flow from operating activities**		
	Net profit before tax	100,987.45	100,650.15
	Adjustments for :		
	- Depreciation/ Amortisation	6,754.55	5,623.07
	- Unrealised exchange difference (net)	101.81	(1,201.23)
	- Marked to Market loss	22.69	14.92
	- Loss on sale/ disposal/ scrapping of fixed assets (net)	289.67	186.19
	- Bad debts written off	1.95	-
	- Provision for doubtful debts/ advances (net)	0.71	155.46
	- Interest income	(11,948.12)	(9,998.88)
	- Dividend income	(0.08)	(0.08)
	- Finance cost	8,713.22	5,064.54
	Operating profit before working capital changes	**104,923.85**	100,494.14
	Adjustments for :		
	- (Increase)/decrease in trade receivables	1,172.66	(193.29)
	- (Increase)/decrease in inventories	(18,905.99)	(79,831.01)
	- (Increase)/decrease in short-term loans and advances	1,094.45	(805.48)
	- (Increase)/decrease in long-term loans and advances	(1,715.69)	(1,888.51)
	- Increase/(decrease) in trade payables	(123,862.44)	22,238.21
	- Increase/(decrease) in other current liabilities	7,639.38	40,379.12
	- Increase/(decrease) in long-term provisions	894.90	577.61
	- Increase/(decrease) in short-term provisions	1,804.55	1,894.88
	Cash generated from operations	**(26,954.33)**	82,865.67
	-Direct taxes paid	**(28,519.34)**	(27,569.22)
	Net cash from/(used in) operating activities	**(55,473.67)**	55,296.45
B.	**Cash flow from investing activities**		
	Additions to fixed assets (including capital work-in-progress and capital advances)	(21,283.53)	(16,883.61)
	Proceeds from sale of fixed assets	168.83	387.46
	Purchase of investments	-	(2.76)
	Inter-corporate deposits (net)	(9,000.00)	(10,000.00)
	Dividends received	0.08	0.08
	Interest received	11,229.84	12,324.34
	Net cash used in investing activities	**(18,884.78)**	(14,174.49)

Consoldiated Cash Flow Statement (Contd.) for the year ended 31 March 2014

₹ lakhs

		Current Year	Previous Year
C.	**Cash flow from financing activities**		
	Proceeds from borrowings	175,627.23	-
	Repayment of borrowings	(95,485.22)	(542.22)
	Dividends paid	(18,522.63)	(15,435.02)
	Tax on dividends paid	(3,168.46)	(2,520.37)
	Interest paid	(8,713.22)	(5,064.54)
	Net cash from/ (used in) financing activities	**49,737.70**	(23,562.15)
	Net cash flows during the year (A + B + C)	**(24,620.75)**	17,559.81
	Cash and bank balances (opening balance)	113,904.24	96,709.48
	Add/(Less): Unrealised exchange (gain)/ loss	46.28	(318.77)
		113,950.52	96,390.71
	Cash and bank balances (closing balance)	89,267.43	113,904.24
	Add/(Less): Unrealised exchange (gain)/loss	62.34	46.28
		89,329.77	113,950.52
	Increase/(decrease) in cash and bank balances	**(24,620.75)**	17,559.81

See accompanying notes forming part of the consolidated financial statements.

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

V. Srikumar
Partner

Bangalore, 6th May 2014

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 01 BASIS OF CONSOLIDATION

The Consolidated Financial Statements relates to Titan Company Limited (formerly Titan Industries Limited) (''the Company"), its subsidiary companies and an associate company. The Company and its subsidiaries constitute the "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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. 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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

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 31-03-2014	Ownership interest 31-03-2013
Titan TimeProducts Limited	India	100%	100%
Favre Leuba AG	Switzerland	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 31-03-2014	Ownership interest 31-03-2013
Green Infra Wind Power Theni Limited (formerly TVS Wind Power Limited)	India	26.79%	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 2014. The 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 is unaudited.

NOTE 02 THE PARTICULARS OF INVESTMENT MADE DURING THE YEAR IN SUBSIDIARY COMPANIES ARE AS FOLLOWS:

₹ lakhs

Name of the Subsidiary	Year ended	Original cost of Investment	Amount of Goodwill / (-) Capital Reserve in Original Cost
Favre Leuba AG	31st March 2014	581.16	-
	31st March 2013	1,076.05	-
Titan TimeProducts Limited	31st March 2014	225.00	-
	31st March 2013	25.00	-

NOTE 03 SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of accounting and preparation of financial statements: The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/the 2013 Act, as applicable. The consolidated financial statements have

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 03 **SIGNIFICANT ACCOUNTING POLICIES:** (Contd.)

been prepared on accrual basis under the historical cost convention. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

ii) Use of estimates: The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

iii) Revenue recognition: Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides when the goods are dispatched from the factory/ stock points / or delivered to customers as per the terms of the contract. Service revenue is recognised on rendering services.

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.

iv) Tangible fixed assets: All fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the balance sheet date.

v) Depreciation: The following assets are depreciated/ amortised over the useful lives under the straight-line method :

Computers and vehicles	- 4 years
Furniture & Fixtures	- 5 years

In respect of all other assets, depreciation is provided under the straight-line method at the rates and in the manner prescribed under Schedule XIV of the 1956 Act, based on the technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates.

vi) Intangible assets and amortisation: Trademarks are capitalised at acquisition cost including directly attributable cost and 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.

vii) 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 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 statement of profit and loss.

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 statement of profit and loss of the reporting period in which the exchange rates change.

In case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the balance sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at exchange rate prevailing on the date of transactions. Exchange difference arising out of these transactions are charged to the statement of profit and loss.

viii) 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.

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.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 03 **SIGNIFICANT ACCOUNTING POLICIES:** (Contd.)

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 statement of profit and loss.

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 the statement of profit and loss. 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 statement of profit and loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the statement of profit and loss as they arise.

ix) Investments: All long term investments are valued at cost. Provision for diminution in value is made to recognise any decline, other than temporary, in the value of investments.

x) Inventories: Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed Gold)] are stated at the lower of cost and net realizable value. Cost 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.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Unfixed gold is valued at the gold prices prevailing on the period closing date.

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

xii) 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 statement of profit and loss.

Defined contribution plan

Company's contributions to the Superannuation Fund which is managed by a Trust and Pension Fund administered by Regional Provident Fund Commissioner, are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Contribution to the Company's Provident Fund Trust is made at predetermined rates and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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 statement of 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 compensated absences are provided on the basis of an actuarial valuation using the projected unit credit method and are debited to the statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 03 SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

xiii) 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 differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents other income and expenses which relate to the company as a whole and are not allocated to segments.

xv) 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 assets/cash generating units. If any indication exists, an impairment loss is recognized when the carrying amount exceeds the greater of net selling price and value in use.

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.

NOTE 4.1 SHARE CAPITAL

		2014		2013	
		No. of shares in lakhs	Amount ₹ lakhs	No. of shares in lakhs	Amount ₹ lakhs
a)	Authorised				
	Equity share of ₹ 1 each with voting rights	12,000.00	12,000.00	12,000.00	12,000.00
	Redeemable cumulative preference shares of ₹ 100 each	40.00	4,000.00	40.00	4,000.00
b)	Issued, subscribed and fully paid up Equity share of ₹ 1 each with voting rights	8,877.86	8,877.86	8,877.86	8,877.86

c) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 4.1 **SHARE CAPITAL** (Contd.)

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

	2014		2013	
	No. lakhs	₹ lakhs	No. lakhs	₹ lakhs
Equity shares with voting rights				
At the beginning of the year	8,877.86	8,877.86	8,877.86	8,877.86
At the end of the year	8,877.86	8,877.86	8,877.86	8,877.86

e) Shareholders holding more than 5% shares in the Company

No. in lakhs

Name	2014		2013	
	No. of shares held	% total holding	No. of shares held	% total holding
Tamilnadu Industrial Development Corporation Limited	2,474.77	27.88	2,474.77	27.88
Tata Group				
Tata Sons Limited	1,351.25	15.22	1,351.25	15.22
Kalimati Investment Company Limited	387.76	4.37	387.76	4.37
Tata Investment Corporation Limited	172.26	1.94	172.26	1.94
Tata Chemicals Limited	138.26	1.56	138.26	1.56
Tata Global Beverages Limited	92.48	1.04	92.48	1.04
Ewart Investments Limited	49.64	0.56	49.64	0.56
Tata International Limited	25.60	0.29	25.60	0.29
Piem Hotels Limited	18.06	0.20	18.06	0.20
Total - Tata Group	**2,235.31**	**25.18**	2,235.31	25.18
Jhunjhunwala Rakesh Radheshyam	616.73	6.95	601.26	6.77

f) Aggregate number of equity shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date

No. in lakhs

	2014	2013
Equity shares with voting rights		
Fully paid up by way of bonus shares	4,438.93	4,438.93

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 4.2 RESERVES AND SURPLUS

₹ lakhs

		2014	2013
a)	Capital reserve	13.28	13.28
b)	Capital reserve on consolidation		
	As per last balance sheet	37.26	35.42
	Add : On amalgamation	-	1.84
		37.26	37.26
c)	Capital redemption reserve	74.38	74.38
d)	Securities premium account	13,888.27	13,888.27
e)	Hedging Reserve		
	As per last balance sheet	168.17	0.57
	Add : Effects of variation in commodity prices on hedging instruments outstanding at the end of the year	3,774.88	168.17
	Less : Transferred to consolidated statement of profit and loss	168.17	0.57
		3,774.88	168.17
f)	General Reserve		
	As per last balance sheet	90,336.00	58,526.00
	Add : Transfer from surplus in the consolidated statement of profit and loss	41,570.00	31,810.00
		131,906.00	90,336.00
g)	Surplus in the consolidated statement of profit and loss		
	Opening balance	83,590.01	64,676.12
	Add : Profit for the year	73,494.26	72,537.70
	Add/ (Less): On amalgamation	-	(1.84)
		157,084.27	137,211.98
	Less:		
	Proposed dividend on equity shares	18,643.51	18,643.51
	Tax on dividends	3,168.46	3,168.46
	Transfer to general reserve	41,570.00	31,810.00
	Net surplus in consolidated statement of profit and loss	**93,702.30**	83,590.01
Reserves and surplus		**243,396.37**	188,107.37

NOTE 05 LONG-TERM PROVISIONS

₹ lakhs

	2014	2013
Provision for gratuity {Refer note 28(b)(i)}	141.70	137.77
Provision for compensated absences {Refer note 28(b)(ii)}	6,913.22	6,032.11
Provision for pension {Refer note 28(b)(ii)}	350.31	340.45
	7,405.23	6,510.33

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 6 SHORT-TERM BORROWINGS

₹ lakhs

	2014	2013
Loans repayable on demand from banks		
- Secured	60,684.23	-
- Unsecured	20,000.00	-
	80,684.23	-

Secured loan represents cash credit secured by hypothecation of book debts, inventory, stores and spares both present and future and is taken at the interest rate linked to the base rate of the bank. Unsecured loan represents working capital demand loan and is taken at the interest rate of 10%.

NOTE 07 TRADE PAYABLES INCLUDE AMOUNTS DUE TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS UNDER

₹ lakhs

		2014	2013
i)	Principal amounts unpaid	174.22	196.41
	Interest due on above	-	-
		174.22	196.41

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

iii) The above information 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.

NOTE 08 OTHER CURRENT LIABILITIES

₹ lakhs

	2014	2013
Advance from customers {Refer note (a) below}	141,832.41	135,303.77
Unclaimed dividends {Refer note (b) below}	460.19	339.31
Unclaimed matured fixed deposits	3.85	4.35
Unclaimed debenture and debenture interest	12.58	14.62
Foreign currency loan repayable within 12 months {Refer note (c) below}	-	603.44
Other liabilities - Statutory dues	3,944.55	3,335.45
Payables on purchase of fixed assets	1,019.74	477.17
Other liabilities - others	6,375.18	5,703.65
	153,648.50	145,781.76

a) Advances from customers includes amounts of ₹ 129,864.47 lakhs (2013: ₹ 124,068.92 lakhs) received towards sale of jewellery products under various sale initiatives / retail customer programmes.

b) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 1.92 lakhs (2013: ₹ 1.62 lakhs) and therefore amounts relating to the same could not be transferred.

c) Foreign currency loan was secured by a first charge over the Company's present and future fixed (movable and immovable) assets and was repayable in 9 semi-annual installments starting February 2010.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 09 a) SHORT-TERM PROVISIONS

₹ lakhs

	2014	2013
Proposed dividend on equity shares	18,643.51	18,643.51
Tax on dividends (net)	3,168.46	3,168.46
Provision for gratuity {Refer note 28(b)(i)}	1,201.70	1,448.74
Provision for compensated absences {Refer note 28(b)(ii)}	962.51	767.38
Others {Refer note (c) below}	7,156.14	5,299.67
	31,132.32	29,327.76

b) The Board of Directors, in their meeting on 6 May, 2014, proposed a dividend of ₹ 2.10 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 1 August, 2014, and if approved, would result in a cash outflow of approximately ₹ 21,811.97 lakhs inclusive of corporate dividend tax of ₹ 3,168.46 lakhs.

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2013 was ₹ 2.10 per share.

c) Others includes

(i) Provision for warranty - ₹ 511.52 lakhs (2013: ₹ 536.20 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 ₹ 511.52 lakhs (2013: ₹ 536.20 lakhs) and ₹ 536.20 lakhs (2013: ₹ 373.95 lakhs) respectively.

(ii) Provision for customer loyalty programmes - ₹ 6,644.62 lakhs (2013: ₹ 4,763.47 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 based on past experience of redemption. Additional provision made and utilised/reversed during the year is ₹ 6,952.26 lakhs (2013: ₹ 4,650.67 lakhs) and ₹ 5,071.11 lakhs (2013: ₹ 3,493.74 lakhs) respectively.

NOTE 10 a) TANGIBLE ASSETS

(Previous year figures are in brackets)

Gross Block

₹ lakhs

Particulars*	Gross block			
	Cost as at April 1, 2013	Additions	Deductions	Cost as at March 31, 2014
Land	2,139.04	5,626.57	0.16	7,765.45
	(815.44)	(1,323.68)	(0.08)	(2,139.04)
Land - leasehold	1,695.86	-	-	1,695.86
	(1,491.24)	(204.62)	(-)	(1,695.86)
Buildings	8,237.74	3,936.94	30.15	12,144.53
	(7,496.67)	(805.51)	(64.44)	(8,237.74)
Plant, machinery and equipment	56,030.26	8,868.91	1,653.12	63,246.05
	(50,662.39)	(6,276.18)	(908.31)	(56,030.26)
Furniture, fixtures and equipment	14,995.33	2,933.38	560.09	17,368.62
	(11,154.86)	(4,513.93)	(673.46)	(14,995.33)
Office equipment	1,902.87	410.05	39.61	2,273.31
	(1,281.18)	(702.93)	(81.24)	(1,902.87)
Vehicles	1,328.07	469.55	401.94	1,395.68
	(1,164.31)	(368.25)	(204.49)	(1,328.07)
Total	**86,329.17**	**22,245.40**	**2,685.07**	**105,889.50**
	(74,066.09)	(14,195.10)	(1,932.02)	(86,329.17)

* Represents owned assets, unless otherwise stated.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

Tangible assets - Depreciation and net block

₹ lakhs

Particulars	Accumulated depreciation				Net block	
	Upto March 31, 2013	Depreciation for the year	On deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land	-	-	-	-	7,765.45	2,139.04
	(-)	(-)	(-)	(-)	(2,139.04)	(815.44)
Land - leasehold	10.70	0.51	-	11.21	1,684.65	1,685.16
	(10.19)	(0.51)	(-)	(10.70)	(1,685.16)	(1,481.05)
Buildings	2,617.47	277.75	5.96	2,889.26	9,255.27	5,620.27
	(2,401.64)	(227.20)	(11.37)	(2,617.47)	(5,620.27)	(5,095.03)
Plant, machinery and equipment	31,054.90	3,014.76	1,426.56	32,643.10	30,602.95	24,975.36
	(29,379.10)	(2,322.94)	(647.14)	(31,054.90)	(24,975.36)	(21,283.29)
Furniture, fixtures and equipment	7,008.98	2,676.74	439.59	9,246.13	8,122.49	7,986.35
	(5,164.21)	(2,339.79)	(495.02)	(7,008.98)	(7,986.35)	(5,990.65)
Office equipment	280.67	163.67	18.06	426.28	1,847.03	1,622.20
	(203.72)	(114.49)	(37.54)	(280.67)	(1,622.20)	(1,077.46)
Vehicles	694.02	270.66	341.38	623.30	772.38	634.05
	(602.33)	(266.51)	(174.82)	(694.02)	(634.05)	(561.98)
Total	**41,666.74**	**6,404.09**	**2,231.55**	**45,839.28**	**60,050.22**	**44,662.43**
	(37,761.19)	(5,271.44)	(1,365.89)	(41,666.74)	(44,662.43)	(36,304.90)

b) Intangible assets

(Acquired)

₹ lakhs

	2014	2013
Gross block		
As at April 1, 2013	7,305.76	7,317.18
Additions during the year	-	-
Deductions during the year	4.98	11.42
As at March 31, 2014	**7,300.78**	7,305.76
Accumulated amortisation		
Upto March 31, 2013	5,577.78	5,230.05
Amortisation for the year	350.46	351.63
Deductions during the year	-	3.90
As at March 31, 2014	**5,928.24**	5,577.78
Net block	**1,372.54**	1,727.98

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 11 NON-CURRENT INVESTMENTS

₹ lakhs

	2014	2013
Investments (at cost) **Trade - unquoted** **Investments in equity instruments - in associate company**		
Carrying amount of investment in Green Infra Wind Power Theni Limited {Refer Note (a) below and note 37}	197.22	178.49
	197.22	178.49
Other investments		
Investments in equity instruments - quoted		
100 (2013:100) fully paid equity shares of ₹ 10 each in Timex Watches Limited	0.01	0.01
1,000 (2013 : 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0.10	0.10
2,025 (2013 : 2,025) fully paid equity shares of ₹ 10 each in Tata Steel Limited	4.62	4.62
6,000 (2013 : 6,000) fully paid equity shares of ₹ 1 each in Tata Global Beverages Limited	2.34	2.34
560 (2013 : 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	1.40	1.40
300 (2013 : 300) fully paid equity shares of ₹ 10 each in Trent Limited	0.92	0.92
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Titan Biotech Limited	0.02	0.02
100 (2013 : 100) fully paid equity shares of ₹ 10 each in Titan Securities Limited	0.01	0.01
	9.42	9.42
Less : Provision for diminution	0.03	0.03
	9.39	9.39
Investments in equity instruments - unquoted		
1,14,663 (2013: 1,14,663) fully paid equity shares of ₹ 50 each in The Central India Spinning and Weaving Mills Limited	-	-
97,624 (2013: 97,624) fully paid equity shares of ₹ 25 each in Tata Mills Limited	-	-
400 (2013: 400) fully paid equity shares of ₹ 25 each in The Central India Press Limited	-	-
100 (2013: 100) fully paid equity shares of ₹ 10 each in Titan Alloys Limited	0.02	0.02
100 (2013: 100) fully paid equity shares of ₹ 10 each in Titan Foods and Fashions Limited	0.01	0.01
5,25,000 (2013: 5,25,000) fully paid equity shares of ₹ 10 each in Innoviti Embedded Solutions Private Limited	100.00	100.00
27,600 (2013: 27,600) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Projects Limited	2.76	2.76
	102.79	102.79
Less : Provision for diminution	0.03	0.03
	102.76	102.76
	309.37	290.64
Aggregate amount of quoted investments	9.39	9.39
Market value of quoted investments	22.09	19.22
Aggregate value of listed but not quoted investments	-	-
Aggregate amount of unquoted investments	**299.98**	281.25

a) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited (formerly known as TVS Wind Power Limited) in accordance with the Equity Participation agreement.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 12 a) DEFERRED TAX

Major components of deferred tax arising on account of timing differences are:

₹ lakhs

	2013	Tax effect for the year	2014
Deferred tax liability:			
Depreciation and amortisation	(2,575.10)	(478.18)	(3,053.28)
Sub total	(2,575.10)	(478.18)	(3,053.28)
Deferred tax asset:			
Provision for doubtful debts/advances	116.96	0.24	117.20
Employee benefits	2,268.09	304.93	2,573.02
Others	993.83	304.21	1,298.04
Sub total	3,378.88	609.38	3,988.26
Net deferred tax asset (net)	803.78	131.20	**934.98**

b)

₹ lakhs

	2013	Tax effect for the year	2014
Deferred tax liability:			
Depreciation and amortisation	(97.18)	(32.76)	(129.94)
Sub total	(97.18)	(32.76)	(129.94)
Deferred tax asset:			
Employee benefits	74.86	(0.41)	74.45
Sub total	74.86	(0.41)	74.45
Net deferred tax asset/(liability) (net)	(22.32)	(33.17)	(55.49)

NOTE 13 LONG-TERM LOANS AND ADVANCES

(Unsecured and considered good)

₹ lakhs

	2014	2013
Capital advances	1,706.75	1,237.34
Other advances:		
- Security deposits	9,346.96	8,153.96
- Employee loans	1,484.48	961.74
- Other deposits	171.73	194.24
- Tax payments, net of provisions	6,573.65	5,664.26
- Balance with revenue authorities	1,171.13	1,148.66
	20,454.70	17,360.20

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 14 a) INVENTORIES

₹ lakhs

	2014	2013
Raw materials	56,887.82	46,724.67
Work-in-progress	12,656.99	13,297.21
Finished goods	215,792.91	222,074.98
Stock in trade	99,953.87	83,090.64
Store and spares	883.93	2,259.95
Loose tools	763.96	585.51
	386,939.48	368,032.96
Included above, goods in transit		
Raw materials	789.17	264.07
Stock in trade	73.84	-
Finished goods	5.65	153.53
	868.66	417.60

b) Details of inventory of work-in-progress

₹ lakhs

	2014	2013
Watches	8,530.10	9,155.28
Jewellery	2,804.59	2,264.65
Others	1,322.30	1,877.28
	12,656.99	13,297.21

NOTE 15 TRADE RECEIVABLES (Unsecured)

₹ lakhs

	2014	2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	1,372.87	800.42
Considered doubtful	344.82	344.11
	1,717.69	1,144.53
Less : Provision for doubtful debts	344.82	344.11
	1,372.87	800.42
Other trade receivables		
Considered good	**14,039.71**	15,782.93
	15,412.58	16,583.35

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 16 CASH AND BANK BALANCES

₹ lakhs

	2014	2013
Cash and cash equivalents		
Balance with banks*	8,708.65	12,832.26
Cheques and drafts on hand	2,892.13	2,778.01
Cash on hand	2,427.65	1,383.43
Short-term deposits with banks	-	11,555.00
	14,028.43	28,548.70
Other bank balances		
a) Earmarked balances with banks		
Unclaimed dividend	458.27	337.69
Unclaimed debenture and debenture interest	12.58	14.62
Share application money received for allotment of rights shares and due for refund	-	3.23
b) Fixed deposits held as margin money against bank guarantee	9,668.15	1,500.00
c) Short-term deposits with banks with more than three months maturity and less than twelve months	65,100.00	83,500.00
	75,239.00	85,355.54
	89,267.43	113,904.24

* Includes funds in transit - ₹ 1,899.44 lakhs (2013: ₹ 2,268.45 lakhs)

NOTE 17 SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)

₹ lakhs

	2014	2013
Advances recoverable in cash or kind or for value to be received		
Inter-corporate deposits	19,000.00	10,000.00
Prepaid expenses	1,273.57	1,461.09
Security deposits	1,828.64	2,520.46
Employee loans	1,269.08	873.02
Other deposits	122.42	121.01
Advance to vendors	2,105.57	113.68
Others	2,396.86	1,529.86
	27,996.14	16,619.12
Considered doubtful	2,224.32	2,224.32
	30,220.46	18,843.44
Less : Provision for doubtful loans and advances	2,224.32	2,224.32
	27,996.14	16,619.12
Balance with revenue authorities	3,448.44	3,313.57
	31,444.58	19,932.69

NOTE 18 OTHER CURRENT ASSETS (Unsecured and considered good)

₹ lakhs

	2014	2013
Interest accrued on deposits	1,670.58	952.30
	1,670.58	952.30

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 19 REVENUE FROM OPERATIONS

₹ lakhs

	Current year	Previous year
Sale of products		
Manufactured goods		
Watches	162,496.74	129,114.43
Jewellery	700,597.95	660,934.58
Others	19,439.16	14,767.19
	882,533.85	804,816.20
Traded goods		
Watches	20,190.57	45,476.80
Jewellery	151,978.57	133,530.11
Others	29,759.88	25,588.37
	201,929.02	204,595.28
Total - Sale of products (a)	1,084,462.87	1,009,411.48
Sale of tools and components (b)	1,826.65	1,682.85
Income from services provided (c)	487.15	310.56
Other operating revenue		
Sale of precious / semi-precious stones	7,861.52	7,613.16
Sale of gold/ platinum	1,731.65	2,110.19
Scrap sales	530.62	670.72
Total - Other operating revenue (d)	10,123.79	10,394.07
Revenue from operations (gross) (a+b+c+d)	1,096,900.46	1,021,798.96
Less : Excise duty	4,161.28	9,469.57
Revenue from operations (net)	**1,092,739.18**	1,012,329.39

NOTE 20 OTHER INCOME

₹ lakhs

	Current year	Previous year
Interest from staff loans, vendor advances, inter-corporate deposits and bank deposits	11,948.12	9,998.88
Dividends on non-current investments	0.08	0.08
Miscellaneous Income	74.00	89.56
	12,022.20	10,088.52

NOTE 21 (INCREASE) / DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ lakhs

	Current year	Previous year
Closing stock		
Finished goods	215,792.91	222,074.98
Work-in-progress	12,656.99	13,297.21
Stock-in-trade	99,953.87	83,090.64
	328,403.77	318,462.83
Opening stock		
Finished goods	222,074.98	162,012.20
Work-in-progress	13,297.21	12,118.14
Stock-in-trade	83,090.64	63,017.25
	318,462.83	237,147.59
(Increase) / decrease in inventory	**(9,940.94)**	(81,315.24)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 22 EMPLOYEE BENEFITS EXPENSE

₹ lakhs

	Current year	Previous year
Salaries, wages and bonus	45,709.66	41,602.39
Company's contribution to provident and other funds {Refer note 28(a)(i)}	2,288.10	1,862.70
Welfare expenses	4,843.46	4,048.79
Gratuity {Refer note 28(b)(i)}	1,201.60	1,469.18
	54,042.82	48,983.06

NOTE 23 OTHER EXPENSES

₹ lakhs

	Current year	Previous year
Loose tools, stores and spare parts consumed	8,954.32	7,969.94
Agency labour	4,846.28	4,137.53
Power and fuel	3,774.23	3,383.59
Repairs to buildings	382.74	362.87
Repairs to plant and machinery	1,236.39	1,250.37
Advertising	40,442.60	37,709.41
Selling and distribution expenses	11,785.40	9,157.01
Insurance	464.22	514.45
Rent	16,083.42	14,280.15
Increase/(decrease) of excise duty on inventory	(1,131.29)	(1,941.19)
Rates and taxes {Refer note 30}	10,748.06	11,180.36
Travel	2,918.31	2,393.25
Bad debts/Deposits/advances written off	1.95	4.87
Less: Provision for loans and advances created earlier years	-	4.87
	1.95	-
Provision for doubtful debts/advances	0.71	155.46
Loss on sale/disposal/scrapping of fixed assets (net)	289.67	186.19
Gold price hedging costs (net)	1,976.50	110.81
General expenses*	25,936.54	21,577.07
Directors' fees	17.04	14.90
Commission to Non Whole-time Directors	350.00	350.00
Expenses capitalised	(1.40)	(111.41)
	129,075.69	112,680.76

* Includes exchange (gain)/loss (net) of ₹ 236.54 lakhs (2013: ₹ (618.41) lakhs)

NOTE 24

Contingent liabilities not provided for - ₹ 23,356.23 lakhs (2013: ₹ 21,409.30 lakhs) comprising of the following:

Sales Tax - ₹ 2,500.49 lakhs (2013: ₹ 1,702.54 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Customs Duty - ₹ 316.94 lakhs (2013: ₹ 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)

Excise Duty - ₹ 15,162.51 lakhs (2013: ₹ 14,942.39 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax and excise duty on jewellery)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

Income Tax - ₹ 4,913.66 lakhs (2013: ₹ 4,041.79 lakhs)
(relating to disallowance of deductions claimed)

Others - ₹ 462.63 lakhs (2013: ₹ 405.64 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.

NOTE 25

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 9,862.98 lakhs (2013: ₹ 5,137.89 lakhs).

NOTE 26

The Company has received show cause notices from the Excise authorities aggregating to ₹ 21,334.81 lakhs (2013: ₹ 14,699.99 lakhs) without quantifying interest and penalty, relating to the disallowance of cenvat credit availed. The Company has been legally advised that the notice is not sustainable.

NOTE 27 OTHER COMMITMENTS

a. Non-fund based facilities availed of ₹ 14,769.08 lakhs (2013: ₹ 25,127.19 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. The security covered rank pari passu with the security for the cash credit facility.

b. Estimated amount of contracts remaining to be executed on revenue account and not provided for is ₹ 373.79 lakhs (2013: ₹ 169.84 lakhs).

NOTE 28 EMPLOYEE BENEFITS

a. Defined Contribution Plans

i) The contributions recognized in the statement of profit and loss during the year are as under:

₹ lakhs

	Current year	Previous year
Superannuation fund	447.88	388.33
Employee Pension Fund (EPF)	457.24	411.10
National Pension Scheme	35.06	-
Provident Fund	1,347.92	1,063.27
Total	**2,288.10**	1,862.70

ii) 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. Based on the actuarial valuation, there is no shortfall in the interest payable by the Trust to the beneficiaries as on the balance sheet date.

b. Defined Benefit Plans

(i) Funded

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 the subsidiary is not funded.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

The following table sets out the funded status and amounts recognised in the Titan Group's financial statements as at 31 March 2014 for Gratuity.

₹ lakhs

		Current year		Previous year	
		Funded	Unfunded	Funded	Unfunded
I	**Net asset / (liability) recognized in the balance sheet**				
1	Present value of funded obligations	12,251.85	146.53	10,749.46	141.78
2	Fair value of plan assets	(11,054.98)	-	(9,304.73)	-
3	(Deficit) / surplus	(1,196.87)	(146.53)	(1,444.73)	(141.78)
4	Net asset / liability				
	- Assets	-	-	-	-
	- Liabilities (current)	1,196.87	4.83	1,444.73	4.01
	- Liabilities (non-current)	-	141.70	-	137.77
II	**Expense recognized in the statement of profit and loss**				
1	Current service cost	775.86	8.06	565.28	6.83
2	Interest cost	915.87	11.97	762.01	10.38
3	Expected return on plan assets	(706.28)	-	(589.13)	-
4	Actuarial losses/ (gains)	211.42	(15.29)	706.57	7.24
5	Past service cost	-	-	-	-
	Total expenses recognised under the head "Gratuity' (Refer note 22)	1,196.87	4.73	1,444.73	24.45
III	**Change in present value of obligation**				
1	Present value of defined benefit obligation at the beginning of the year	10,749.46	141.78	8,518.30	118.57
2	Current service cost	775.86	8.06	565.28	6.83
3	Interest cost	915.87	11.97	762.01	10.38
4	Actuarial losses/ (gains)	27.02	(15.29)	1,149.89	7.24
5	Past service cost	-	-	-	-
6	Benefits paid	(216.36)	-	(246.02)	(1.24)
7	Present value of defined benefit obligation at the end of the year	12,251.85	146.52	10,749.46	141.78
IV	**Change in fair value of plan assets**				
1	Fair value of plan assets at the beginning of the year	9,304.73	-	7,626.28	-
2	Expected return on plan assets	706.28	-	589.13	-
3	Actuarial (losses) / gains	(184.40)	-	443.32	-
4	Assets distributed on settlement	-	-	-	-
5	Contributions by employer	1,444.73	-	892.02	-
6	Benefits paid	(216.36)	-	(246.02)	-
7	Fair value of plan assets at the end of the year	11,054.98	-	9,304.73	-
	Actual return on plan assets	521.87	-	1,032.45	-
V	**The major categories of plan assets as a percentage of total plan assets**				
1	Government of India securities		56%		53%
2	Corporate bonds		41%		42%
3	Others		3%		5%

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

₹ in lakhs

		2014	2013	2012	2011	2010
VI	**Experience adjustments**					
	Defined benefit obligation	12,398.38	10,891.24	8,636.86	7,380.12	5,195.01
	Plan assets	11,054.98	9,304.73	7,626.28	5,425.93	4,191.14
	Surplus / (deficit)	(1,343.40)	(1,586.51)	(1,010.58)	(1,954.19)	(1,003.87)
	Experience adjustments on plan liabilities	1,577.89	638.78	390.24	504.82	182.86
	Experience adjustments on plan assets	(184.40)	443.32	28.22	28.20	9.78

VII Principal actuarial assumptions

	Current year	Previous year
Discount rate	9.15% p.a	8.15% 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 Indian Assured Lives Mortality (2006-08) Ult table.

Expected rate of return on plan assets is based on expected long term rate of return during the estimated term of the obligations. The Company is expected to contribute ₹ 1,196.87 lakhs to the gratuity fund next year.

(ii) Unfunded

The defined benefit obligations which are provided for but not funded are as under:

₹ lakhs

	Liability as on March 31, 2014	Liability as on March 31, 2013
Compensated absences / Leave salary		
Non-current	6,913.22	6032.11
Current	962.51	767.38
	7,875.73	6799.49
Pension - Non-current	350.31	340.45

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.

NOTE 29

Auditors remuneration comprises fees for audit of statutory accounts ₹ 131.00 lakhs (2013: ₹ 111.00 lakhs), taxation matters ₹ 31 lakhs (2013: ₹ 30.05 lakhs), audit of consolidated accounts ₹ 9.00 lakhs (2013: ₹ 8.40 lakhs), other services ₹ 32.15 lakhs (2013: ₹ 28.36 lakhs) and reimbursement of levies and expenses ₹ 33.02 lakhs (2013: ₹ 33.15 lakhs).

NOTE 30

Rates and taxes include ₹ 5,536.10 lakhs (2013: ₹ 5,390.99 lakhs) being the excise duty paid on watch components transferred from Hosur factory to Dehradun, Roorkee and Pantnagar factories.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 31 FINANCE COSTS INCLUDE

₹ lakhs

	Current year	Previous year
Interest expense on :		
Borrowings	3,170.40	133.15
Gold on lease charges / interest on gold loan	4,330.52	4,918.02
Others	30.55	13.37
	7,531.47	5,064.54
Other borrowing cost :		
Commercial paper discounting charges	1,181.75	-
	8,713.22	5,064.54

NOTE 32

a) Gold futures contracts outstanding as at the year end - 6,246 kgs, ₹ 175,224.04 lakhs (2013: 999 kgs, ₹ 30,193.84 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 Nil (2013: US Dollars 11.11 lakhs) equivalent to ₹ Nil (2013: ₹ 603.44 lakhs).

The Company has 4 forward exchange contracts for US Dollars 13.50 lakhs equivalent to ₹ 808.92 lakhs (2013: Nil forward exchange contracts for US Dollars Nil equivalent to ₹ Nil) and 4 forward exchange contracts for HKD 135.00 lakhs equivalent to ₹ 1,042.20 lakhs (2013: Nil forward exchange contracts for HKD Nil equivalent to ₹ Nil) for firm commitment of purchases.

Marked to Market loss of ₹ 22.69 lakhs (2013 : ₹ 14.92 lakhs) has been recognized in the statement of profit and loss on these outstanding contracts.

c) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2014 are given below:

i) Amounts receivable in foreign currency as at March 31, 2014
(Previous year figures are in brackets)

₹ in lakhs

	₹	Foreign currency
USD	6,321.87	105.54
	(3,373.35)	(62.12)
GBP	208.87	2.10
	(636.37)	(7.75)
HKD	554.50	71.81
	(75.92)	(10.86)
EURO	1,730.44	21.03
	(28.18)	(0.40)
CHF	393.54	5.82
	(53.36)	(0.94)
SGD	177.88	3.75
	(10.76)	(0.25)
JPY	321.11	549.09
	(-)	(-)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

ii) Amounts payable in foreign currency as at March 31, 2014
(Previous year figures are in brackets)

₹ in lakhs

	₹	Foreign currency
USD	3,176.63 (2,321.62)	53.01 (42.74)
EURO	446.17 (492.22)	5.42 (7.08)
HKD	939.05 (413.79)	121.64 (59.11)
CHF	270.26 (2.17)	4.00 (0.04)
JPY	134.63 (10.11)	229.93 (17.55)
GBP	21.57 (78.52)	0.21 (0.95)
SEK	6.18 (7.64)	0.62 (0.92)
SGD	177.47 (-)	3.73 (-)

NOTE 33 RELATED PARTY DISCLOSURES :

Names of related parties and description of relationship:

a)	Promoters	Tamilnadu Industrial Development Corporation Limited
		Tata Sons Limited
b)	Associate	Green Infra Wind Power Theni Limited (formerly known as TVS Wind Power Limited)
c)	Key Management Personnel	Mr. Bhaskar Bhat, Managing Director

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

Transactions with related parties during the year are set out in the table below:

(Previous year figures are in brackets) ₹ lakhs

Sl No.	Nature of transaction	Promoters	Associate	Key Management Personnel	Total
1	Purchase of fixed assets	0.70 (-)	- (-)	- (-)	0.70 (-)
2	Sale of components and finished goods and fixed assets	1.49 (7.98)	- (-)	- (-)	1.49 (7.98)
3	Reimbursement of expenses	6.00 (0.37)	- (-)	- (-)	6.00 (0.37)
4	Rent paid	50.56 (50.56)	- (-)	- (-)	50.56 (50.56)
5	Purchase of power	- (-)	312.05 (420.91)	- (-)	312.05 (420.91)
6	Dividend paid	8,034.64 (6,016.89)	- (-)	- (-)	8,034.64 (6,016.89)
7	Commission and sitting fees to non whole-time directors	92.36 (103.37)	- (-)	- (-)	92.36 (103.37)
8	Brand equity subscription	1,740.10 (1,605.65)	- (-)	- (-)	1,740.10 (1,605.65)
9	Payment towards rendering of services	14.92 (38.94)	- (-)	- (-)	14.92 (38.94)
10	Managerial remuneration	- (-)	- (-)	446.98 (389.15)	446.98 (389.15)

₹ lakhs

Balance as on balance sheet date	Promoters	Associate	Key Management Personnel	Total
Credit balance				
Tata Sons Limited	1,301.71 (1,161.56)	- (-)	- (-)	1,301.71 (1,161.56)
Tamilnadu Industrial Development Corporation Limited	89.25 (100.10)	- (-)	- (-)	89.25 (100.10)
Green Infra Wind Power Theni Limited (formerly known as TVS Wind Power Limited)	- (-)	2.63 (5.11)	- (-)	2.63 (5.11)
Mr. Bhaskar Bhat	- (-)	- (-)	268.40 (236.96)	268.40 (236.96)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

The above includes the following material related party transactions :

₹ lakhs

Nature of transaction	Category	Name	Amount
(a) Dividend paid	Promoters	Tamilnadu Industrial Development Corporation Limited	5,197.01 (4,330.84)
	Promoters	Tata Sons Limited	2,837.63 (1,686.05)
(b) Brand Equity Subscription	Promoter	Tata Sons Limited	1,740.10 (1,605.65)

NOTE 34

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

₹ lakhs

	2014	2013
For a period not later than one year	3,524.21	4,066.35
For a period later than one year but not later than five years	2,505.96	3,734.42
For a period later than five years	-	-
Total	**6,030.17**	7,800.77

b) The Company has taken the above operating leases for non-cancellable periods ranging from 7 months to 60 months. The leases are renewable by mutual consent.

c) Lease rentals recognised in the statement of profit and loss in respect of the above operating leases is ₹ 3,661.04 lakhs (2013: ₹ 3,961.92 lakhs).

NOTE 35 EARNINGS PER SHARE

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

	2014	2013
Net profit after tax (₹ lakhs)	73,494.26	72,537.70
a) Weighted average number of equity shares	887,786,160	887,786,160
b) i) Nominal value of shares (₹)	1	1
ii) Earnings per share - Basic and diluted (₹)	8.28	8.17

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 36

Segment information for the year ended March 31, 2014
a) Primary business segments
(Previous year figures are in brackets)

₹ lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue					
Net sales/income	180,049.16	862,742.28	49,947.74	-	1,092,739.18
(There is no inter-segment revenue)	(167,742.93)	(803,236.46)	(41,350.00)	-	(1,012,329.39)
Segment result					
Before finance costs, other income and taxes	18,094.87	84,891.55	348.42	(-) 5,656.37	97,678.47
	(19,291.43)	(81,521.74)	(-366.07)	(-4,820.93)	(95,626.17)
Add : Other Income	193.92	461.27	30.82	11,336.19	12,022.20
	(917.75)	(7,562.78)	(53.03)	(1,554.96)	(10,088.52)
Share of loss/(profit) of associate	-	-	-	(-) 18.73	(-) 18.73
	(-)	(-)	(-)	(-44.01)	(-44.01)
Profit before finance costs and taxes	18,288.79	85,352.82	379.24	5,698.55	109,719.40
	(20,209.18)	(89,084.52)	(-313.04)	(-3,221.96)	(105,758.70)
Less : Finance costs					8,713.22
					(5,064.54)
Profit before taxes					101,006.18
					(100,694.16)
Taxes					27,511.92
					(28,156.46)
Profit after taxes					73,494.26
					(72,537.70)
Segment assets	98,527.93	372,796.67	30,040.06	108,844.22	610,208.88
	(101,939.82)	(422,574.16)	(26,077.99)	(37,030.93)	(587,622.90)
Segment liabilities	38,032.72	208,132.42	8,614.81	23,349.96	278,129.91
	(32,802.64)	(325,824.65)	(9,174.99)	(23,013.41)	(390,815.69)
Capital expenditure	3,708.70	6,930.34	3,468.75	7,248.90	21,356.69
	(5,393.46)	(7,460.72)	(2,221.88)	(809.94)	(15,886.00)
Depreciation/amortisation	2,506.32	2,388.64	1,174.26	685.33	6,754.55
	(2,222.81)	(2,077.30)	(975.69)	(347.27)	(5,623.07)
Non-cash expenses other than depreciation/ amortisation	82.45	0.52	146.70	-	229.67
	(452.52)	-	(17.43)	(15.29)	(485.24)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

Total unallocable liabilities/(assets) exclude

₹ lakhs

	2014	2013
Short-term borrowings	80,684.23	-
Foreign currency loan repayable within 12 months	-	603.44
Deferred tax liability / (asset) (net)	55.49	22.32
Deferred tax liability / (asset) (net)	(934.98)	(803.78)

b) Secondary geographical segments
(Previous year figures are in brackets)

₹ lakhs

	India	Others	Total
Revenue	1,070,241.26	22,497.92	1,092,739.18
	(992,104.58)	(20,224.81)	(1,012,329.39)

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.

Due to considerable regulatory changes during the year in relation to purchase and funding of Gold, the Company has reviewed the definition of operating assets and as required by Accounting standard 17 has not allocated certain assets to the business segments to reflect the current business practices and accordingly disclosed as unallocated under 'Corporate' Segment.

NOTE 37

The particulars of investments made in the associate company are as below:
(Previous year figures are in brackets)

₹ lakhs

Name of the associate	Original cost of investment	Amount of Goodwill/ Capital Reserve in original cost	Cumulative share of post acquisition profits	Carrying cost of investments
Green Infra Wind Power Theni Limited	150.00	-	47.22	197.22
	(150.00)	-	(28.49)	(178.49)

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2014

NOTE 38

Statement pursuant to exemption granted under Section 212(8) of the Companies Act, 1956, relating to subsidiary companies as at March 31, 2014.

₹ lakhs

Name of Subsidiary		Titan TimeProducts Limited	Favre Leuba AG
(a)	Share Capital	252.50	771.59
(b)	Reserves	591.20	361.75
(c)	Total Assets	1,755.35	1,140.94
(d)	Total Liabilities	911.65	7.60
(e)	Income	2,310.59	183.17
(f)	Profit/ (loss) before tax	(249.19)	(360.81)
(g)	Taxes	33.18	-
(h)	Profit/ (loss) after tax	(282.36)	(360.81)
(i)	Proposed Dividend	-	-

NOTE 39

During the previous year, pursuant to the Scheme of amalgamation of Titan Properties Limited (TPL) (wholly owned subsidiary of the Company) with the Company as sanctioned by the High Court of Madras, all assets and liabilities had been transferred to and vested in the Company retrospectively with effect from April 1, 2011.

The amalgamation had been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS) 14 - Accounting for Amalgamations notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves had been recorded at their respective book values in the accounts of the Company.

NOTE 40

a) The 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 classification.

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

Hans Raj Verma *Chairman*

Ishaat Hussain
C.G. Krishnadas Nair
T.K. Arun
Hema Ravichandar
Ireena Vittal
Directors

Bangalore, 6th May 2014

Financial Statistics

₹ crores

BALANCE SHEET	1987-88	1992-93	1997-98	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Equity share capital	24	42	42	42	42	42	42	44	44	44	44	44	89	89	89
Preference share capital	-	-	38	40	40	40	40	-	-	-	-	-	-	-	-
Reserves and surplus	-	78	116	80	83	95	150	283	392	507	680	981	1,361	1,876	2,435
Deferred tax liability/ (asset)	-	-	-	42	35	29	24	17	25	18	5	2	(4)	(8)	(9)
Borrowings	38	114	382	467	407	318	268	247	258	175	73	15	11	6	806
Current, Non-current Liabilites & Provisions	9	36	58	173	164	267	360	593	879	1,035	1,284	2,694	3,233	3,905	2,777
TOTAL SOURCES OF FUNDS	**71**	**270**	**636**	**844**	**771**	**791**	**884**	**1,184**	**1,598**	**1,779**	**2,086**	**3,736**	**4,690**	**5,868**	**6,098**
Net tangible and intangible assets	54	131	238	192	177	175	196	267	282	294	275	300	394	490	629
Investments	-	-	27	37	28	27	27	27	47	8	8	9	16	19	27
Inventories	8	86	173	142	164	272	374	677	1,021	1,203	1,340	1,994	2,879	3,678	3,867
Cash and bank balances	3	9	8	24	27	44	38	51	52	55	187	1,096	961	1,137	889
Other Current Assets	6	44	190	403	342	249	234	158	196	220	276	337	440	544	686
Deferred revenue expenditure	-	-	-	46	33	24	14	4	-	-	-	-	-	-	-
TOTAL APPLICATION OF FUNDS	**71**	**270**	**636**	**844**	**771**	**791**	**883**	**1,184**	**1,598**	**1,779**	**2,086**	**3,736**	**4,690**	**5,868**	**6,098**

PROFIT & LOSS ACCOUNT	1987-88	1992-93	1997-98	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue from operations	17	191	442	798	959	1,135	1,481	2,136	3,041	3,848	4,703	6,571	8,971	10,206	10,955
Expenses	16	157	357	726	862	1,020	1,327	1,938	2,791	3,551	4,308	5,959	8,138	9,196	9,906
Interest	1	18	53	41	38	31	25	20	20	29	5	35	44	51	87
Depreciation/Amortisation	1	7	19	21	22	20	20	26	30	42	60	34	45	54	66
Operating Profit/ (loss)	(2)	9	13	10	37	64	109	152	200	226	330	543	744	905	896
Add: Other Income	2	2	3	10	2	3	2	3	2	5	12	56	94	101	120
Less: Exceptional Item	-	-	-	(10)	(25)	(35)	(25)	(24)	-	-	-	-	-	-	-
Profit Before Taxes	-	11	16	10	14	32	86	131	202	231	342	599	838	1,006	1,016
Taxes	-	-	1	4	3	7	13	38	52	72	71	169	238	281	275
Profit After Taxes	**-**	**11**	**15**	**6**	**11**	**25**	**73**	**93**	**150**	**159**	**271**	**430**	**600**	**725**	**741**
Equity Dividend (%)	-	22%	25%	10%	10%	20%	30%	50%	80%	100%	150%	250%	175%	210%	210%
Equity Dividend (Rs.)	-	7	11	4	4	8	13	22	36	44	67	111	155	186	186
Employee costs (excluding VRS)	1	13	49	72	85	96	109	157	189	233	274	365	392	485	534
% to Sales Income	6.1%	6.7%	11.1%	9.0%	8.9%	8.4%	7.4%	7.4%	6.2%	6.1%	5.8%	5.6%	4.4%	4.8%	4.9%
Advertising	2	13	20	47	60	77	101	134	152	181	211	303	381	377	404
% to Sales Income	11.0%	6.9%	4.5%	5.9%	6.2%	6.8%	6.8%	6.3%	5.0%	4.7%	4.5%	4.6%	4.2%	3.7%	3.7%

TITAN
COMPANY LIMITED

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