

Board's Report

To the Members of Titan Company Limited

The Directors are pleased to present the Thirty Sixth Annual Report and the Audited Financial Statements for the year ended 31st March 2020:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-2019
Revenue from Operations	20,010	19,070	21,052	19,779
Other Income	146	178	153	183
Total Income	20,156	19,248	21,205	19,962
Expenditure	17,592	17,068	18,585	17,788
Profit before exceptional items, finance costs, depreciation and taxes	2,564	2,181	2,620	2,174
Finance Costs	149	44	166	53
Depreciation/Amortisation	310	139	348	163
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	2,105	1,997	2,106	1,959
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	(4)	(2)
Profit before exceptional items and taxes	2,105	1,997	2,102	1,957
Exceptional items	-	70	-	-
Profit before taxes	2,105	1,927	2,102	1,957
Income taxes				
- Current	552	602	570	618
- Deferred	36	(49)	39	(49)
Profit for the year	1,518	1,374	1,493	1,388
Attributable to				
- Shareholders of the Company	1,518	1,374	1,501	1,404
- Non-controlling interests	-	-	(9)	(16)
Profit brought forward	2,876	1,903	2,759	1,792
Appropriations				
Adjustment of transition to Ind AS 116 on opening retained earnings	(156)	-	(159)	-
Deferred tax on Ind AS 116 transition impact	55	-	55	-
Deletion on account of sale of subsidiary	-	-	-	(4)
Acquisition of non-controlling interest in subsidiary	-	-	(30)	(31)
Dividend on Equity Shares (excluding tax)	(444)	(333)	(444)	(333)
Tax on dividends	(91)	(68)	(91)	(68)
Transfer to general reserve	-	-	-	-
Closing Balance in Retained Earnings	3,758	2,876	3,591	2,759

1a) Standalone Numbers:

During the year under review, the Company's total revenue grew by 5% to ₹ 20,010 crore compared with ₹ 19,070 crore in the previous year.

Profit before tax grew by 9% to ₹ 2,105 crore and the net profit increased by 10% to ₹ 1,518 crore.

The Watches and Wearables Division of the Company recorded revenue of ₹ 2,615 crore, a growth of 7.2%. The revenue from Jewellery Division grew by 4.4% touching ₹ 16,738 crore. The revenue from Eyewear Division grew by 6.4% to ₹ 544 crore. The revenue from other divisions recorded a sale of ₹ 171 crore, a growth of 28.2%.

New Businesses, viz. Indian Dress Wear Division and Fragrances and Accessories Division recorded revenue of ₹ 117.59 crore, a growth of 46% over the previous year. While the Indian Dress Wear Division grew by 102%, the Fragrances and Accessories Division recorded a growth of 27%.

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

During the year, the Company had opted for lower tax rate of 25.17% by foregoing the tax benefits mainly in the tax free zones. With the declaration of the COVID-19 as a pandemic in mid-March 2020, the performance of various Divisions were affected due to store closures consequent upon declaration of national lockdown by the Government. Jewellery and Eyewear revenue declined whereas Watches & Wearables Division grew marginally by 2%. Lower sales and mark to market deposit pertaining to gold hedging transactions with Multi Commodity Exchange of India Limited resulted in substantial gross short term borrowing as at the end of the year.

The year witnessed aggressive expansion of the Company's retail network. As on 31st March 2020, the Company had 1,739 stores, with over 2.27 million square feet of retail space delivering a retail turnover of over ₹ 20,000 crore.

1b) Consolidated Numbers

At the consolidated level, the revenue stood at ₹ 21,052 crore as against ₹ 19,779 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 15 of this Report.

2. International Operations

Watches & Wearables Business: The non-smart segment of watches continued to face headwinds in markets across

the globe in the year 2019 and since January 2020, the COVID-19 global pandemic caused a significant slump in business during the last quarter of the previous year. Last quarter of the previous year saw a retail decline of >50% in most global corridor cities. Key commercial hubs like Singapore, Ho Chi Minh City, Bangkok and Dubai reported their worst tourist traffic numbers since 9/11. The watch category's premier event, Basel Watch Fair 2020 was cancelled for health-safety reasons. COVID-19's impact on tourism, overall business, and retail in particular is expected to last through the year 2020. 50% of the Company's watches international business is dependent on the Middle East markets. UAE, the Company's largest market outside of India, declined by about 11% but the business managed to outperform competition owing to a better retail network.

Jewellery Business: During the year under report, the Company's jewellery business in the GCC (Gulf Cooperation Council) region was studied in detail owing to its similarity to India and after careful study, Dubai was chosen to pilot the international launch of Tanishq. Two legal entities were incorporated in this regard and necessary tie-ups like banking, logistics etc. have also been put in place to enable start of operations with the first Tanishq store in the first quarter of the current financial year subject to normalcy of the COVID-19 situation.

3. Dividend

The Directors are pleased to recommend the payment of dividend on equity shares at the rate of 400% (i.e. ₹ 4 per equity share of ₹ 1 each), subject to approval by the shareholders at the ensuing Annual General Meeting (AGM).

4. Transfer to General Reserve

The Board of Directors has decided to retain the entire amount of profits for FY 2019-20 in the Retained Earnings.

5. Finance

The year was a challenging year with the surge in gold prices impacting jewellery sales. This also resulted in higher inventory in jewellery leading to a higher working capital thereby leading to lower cash position. During the year, the credit rating was upgraded from AA + to AAA by CRISIL and the Company was rated for the first time as AAA by Brickworks Rating. Details of credit ratings obtained during the year under report is covered under the Corporate Governance Report.

Further, the Company is working out its strategy to manage the current COVID-19 crisis with particular focus

to ensure that adequate liquidity is available till normalcy returns.

6. Public Deposits

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

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

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

- (a) accepted during the year: ₹ 2,406.39 crore
- (b) remained unpaid or unclaimed as at the end of the year: ₹ 1,484.35 crore
- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
 - (i) at the beginning of the year: Nil
 - (ii) maximum during the year: Nil
 - (iii) at the end of the year: Nil

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

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

There have been no material changes and commitments for the likely impact affecting financial position between end of the financial year and the date of the report except for the impact arising out of COVID-19.

In March 2020, the World Health Organisation declared COVID-19 as a pandemic. The Company's operations were impacted from 17th March 2020 till the first week of May 2020 when the lockdown was gradually lifted. The Company opted to shut all its stores, factories and offices even before the lockdown was officially implemented keeping the safety of its customers and employees in mind. The Company adopted a work from home policy during the entire duration of the lockdown and with the easing of restrictions, the Company has re-opened its offices with limited staff resuming work from office. As on the date of this Report, all factories are open with manning within the prescribed norms and production commencing depending on the demand and a significant number of stores have also re-opened with thorough and well-rehearsed safety protocols in place including observance of strict social distancing norms and sanitization of products before and after every trial to ensure customers' safety. The Company has also taken several initiatives during the lockdown to strengthen the bond with its customers and create meaningful relationships through well-thought digital interventions. Other stores are in the process of re-opening. While the uncertainties created by COVID-19 continue for the future, your Company's focus will be on serving the interests of all its stakeholders as the situation evolves.

Please refer Note 38 of Notes to the standalone financial statements for further details in respect of impact of COVID-19 on the financial statements of the Company.

8. Significant and Material Orders

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

9. Particulars of Loans, Guarantees and Investments

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

During the year under review, the Company had invested ₹ 31 crore in purchase of additional equity stake in CaratLane Trading Private Limited (CaratLane) taking its holding to 72.3%.

Further, the Company has granted a loan of ₹ 1.95 crore to Titan Holdings International FZCO, Dubai, a wholly owned subsidiary of the Company

10. Integrated Report

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

11. Adequacy of Internal Controls and Compliance with Laws

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

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

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Controls system that is operating effectively as at 31st March 2020.

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

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

12. Board Meetings

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

13. Audit Committee and other Board Committees

The details pertaining to the composition of the Audit Committee and its role is included in the Corporate Governance Report, which is a part of this Annual Report. In addition to the Committees mentioned in the Corporate Governance Report, the Company has a Corporate Social Responsibility Committee, the details of which are covered in **Annexure 2** to this report.

14. Risk Management

Pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"), the Company has constituted a Risk Management Committee (RMC), consisting of Board members and senior executives of the Company.

The Company has in place a Risk Management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division.

The top tier of risks for the Company is captured by the operating management after extensive 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. Based on this framework, a Risk Management policy has been adopted.

The RMC 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 Register of each Business gets updated on an 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.

15. Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large. All related party transactions are placed before the Audit Committee and the Board for approval, if applicable. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are verified by the Internal Auditor and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval, if applicable, on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the transactions with related parties during FY 2019-20 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

16. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2020, the Company had the following subsidiaries/Associate/Joint Venture:

Sl. No.	Name of the Subsidiary/ Associate/Joint Venture	Relationship
1	Favre Leuba AG, Switzerland	Subsidiary
2	Titan Watch Company Limited, Hong Kong	Subsidiary
3	Titan Engineering & Automation Limited	Subsidiary
4	CaratLane Trading Private Limited	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Montblanc India Retail Private Limited	Joint Venture
7	Titan Holdings International FZCO, Dubai	Subsidiary
8	Titan Global Retail LLC, Dubai	Subsidiary

During the year 2019-20, Favre Leuba AG had registered a turnover of CHF 0.87 million i.e., ₹ 6.25 crore against the previous year's figures of CHF 1 million, i.e. ₹ 6.82 crore and loss of CHF 7.19 million, i.e. ₹ 51.03 crore (2018-19: 7.39 million, i.e. ₹ 52.18 crore). During the year FY 2019-20, the Company has invested CHF 8.76 million in Favre Leuba AG's share capital.

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

During the year FY 2019-20, Titan Engineering & Automation Limited (TEAL) generated income of ₹ 462.33 crore against the previous year's figures of ₹ 343.21 crore, an increase of 34.70% and the profit before tax was at ₹ 78.12 crore against the previous year's figures of ₹ 58.06 crore.

CaratLane is engaged in the business of manufacturing of jewellery products and has significant online presence. CaratLane's performance was very good with high double digit growths recorded in retail sales in both online and physical channels, with great emphasis on Omni selling. CaratLane added 37 stores in the year to take the store count to 92. During the year 2019-20, CaratLane registered a turnover of ₹ 621.23 crore (previous year: ₹ 416.39 crore) and the loss amounted to ₹ 27.27 crore against the previous year's figures (loss) of ₹ 46.13 crore.

The Company holds a 49% equity stake in Montblanc India Retail Private Limited (Montblanc), a joint venture entered into with Montblanc Services B.V., the Netherlands for operation of retail boutiques in India for Montblanc products. Montblanc registered a turnover of ₹ 57.45 crore and the loss amounted to ₹ 4.87 crore. During the year, the Company invested an additional amount of ₹ 7.74 crore through rights issue in Montblanc.

Titan Holdings International FZCO was formed as a Free Zone Company, for which the Certificate of Formation was issued on 22nd October 2019, with a view to carry out business activities and invest in the share capital of any other companies/entities either as a joint venture partner or as its wholly owned subsidiary company for carrying out business activities. The Company did not have any business operations during FY 2019-20. However, it had certain expenses pertaining to the incorporation and setting up its corporate office in DAFZA and incurred a loss of AED 0.31 million (₹ 0.59 crore).

Titan Global Retail LLC was formed on 15th December 2019 as a subsidiary of Titan Holdings International

FZCO to carry out business activities and retail trade in the industry in which the company operates. Titan Global Retail LLC will operate its retail stores and service stores in UAE. During the year under review, the Company has identified and started work on its first Boutique and Service Centre in Dubai but the Company did not have any business operations. However, it had expenses for setting up its retail store and service centre and incurred a loss of AED 0.41 million (₹ 0.79 crore).

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

None of these subsidiary companies declared a dividend for FY 2019-20 except TEAL which has declared a dividend of ₹ 5 per share on the face value of ₹ 10 per share aggregating to ₹ 23.53 crore (subject to applicable taxes).

The annual accounts of these subsidiary companies/JV company were consolidated with the accounts of the Company for FY 2019-20.

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

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

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

18. Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII of the Act and excluding activities undertaken in pursuance of its normal course of business. In addition to the projects specified as CSR activities under Section 135 of Act, the Company has also carried out several other sustainability/responsible business initiatives and projects.

The Company has spent the entire 2% of the net profits earmarked for CSR projects during the FY 2019-20.

A report on CSR pursuant to Section 135 of the Act & Rules made thereunder is attached in **Annexure-II**.

19. Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure-III** in the prescribed Form MGT-9, which forms part of this Report.

20. Dividend Distribution Policy

The Dividend Distribution Policy is annexed as **Annexure-IV** to this Report.

21. Vigil Mechanism

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

22. Secretarial Standards

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

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

The Company has been at the forefront in ensuring a safe and secure work place for all its employees. In particular, as per the mandated Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, prevention and redressal of complaints of sexual harassment at workplace are actively cascaded. The Company has adopted a zero tolerance for sexual harassment at workplace.

The selection and training of Internal Complaints Committee (ICC) members follows a stringent process to ensure that the most suitable person is part of the committee. The Company has also empaneled its unionized employees at its manufacturing units for a better

representation and reach of the employees. All members undergo the Prevention of Sexual Harassment (POSH) training and are equipped to handle communication as well as redressal.

During the year under review, the total number of ICC members was at 96 as against 64 in the previous financial year. The Company had organised annual meets with ICC members where learning is shared and industry perspective and changes in law (if any) are discussed. The Company also invests in building capability of its ICC members through programmes on POSH, investigation techniques, impact of bias and industry exposure.

The core Ethics team comprises of the ICC Chairperson, the Chief Ethics Counsellor (CEC) and experienced senior managers across the Company besides an external expert.

All stakeholders across geographies, viz. employees, contract and agency hires, vendors and associates are also part of an induction on POSH. The cascades are designed in a simple but effective manner by the use of regional theatre to demonstrate violations and the consequences. The regional heads or manufacturing/unit heads along with the leadership team of the respective unit are part of the open house and Q&A at the end of the session at their respective locations. This has impacted positively with more and more stakeholders becoming familiar with the policy and gaining confidence to raise concerns with the locational committee members. About 129 such events were held across the country covering over 14,619 stakeholders. Other means of communication using short films, quizzes and games were continued to create awareness along with sensitization programmes for people managers.

During the financial year FY 2019-20, the Company received 3 complaints on sexual harassment, 2 were disposed of with appropriate action taken and 1 complaint was pending as on 31st March 2020.

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

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

25. Corporate Governance and Management Discussion and Analysis

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

Pursuant to Regulation 34 of the SEBI LODR the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the SEBI LODR, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March 2020.

26. Business Responsibility Report

As per SEBI LODR, a Business Responsibility Report is attached and forms part of this Annual Report.

27. Directors and Key Managerial Personnel

Ms. Hema Ravichandar, Ms. Ireena Vittal, Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas and Dr. Mohanasankar Sivaprakasam were the Independent Directors during the Financial Year 2019-20 and all have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Dr. Mohanasankar Sivaprakasam was appointed as an Additional Director and Independent Director on the Board of the Company with effect from 3rd July 2019 and subsequently approved by the shareholders at the thirty fifth Annual General Meeting held on 6th August 2019 as an Independent Director for a period of five years from 3rd July 2019.

Mr. T K Balaji, Independent Director, retired from the Board on 31st July 2019 upon completion of his tenure as an Independent Director. The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by him during his tenure as a member of the Board.

Mr. Bhaskar Bhat, who retired as the Managing Director of the Company on 30th September 2019 was nominated by Tata Sons Private Limited (Tata Sons) on the Board of the Company as Non-Executive Director with effect from 1st October 2019 and Mr. Harish Bhat, nominee of Tata Sons stepped down from the Board as a Non-Executive Director with effect from 30th September 2019. The Board recorded the stupendous and well-rounded development of the Company under the exemplary leadership of Mr. Bhaskar Bhat and also recorded its appreciation on Mr. Bhat's contributions to the Company during his tenure in the Company.

Mr. C K Venkataraman was appointed as the Managing Director of the Company with effect from 1st October 2019, subject to approval of the shareholders. Members attention is drawn to Item No. 7 & 8 of the Notice convening the Thirty Sixth Annual General Meeting for the appointment of Mr. C K Venkataraman as a Director and Managing Director of the Company.

Mr. Ramesh Chand Meena, nominee of TIDCO, resigned from the Board with effect from 14th October 2019.

Ms. Kakarla Usha was appointed as an Additional Director on the Board of the Company on 21st November 2019.

Ms. Sindhu Gangadharan, on the basis of the recommendation of the Board Nomination and Remuneration Committee, was appointed as an Additional Director and Independent Director on the Board of the Company on 8th June 2020 for a period of five years subject to the approval of the shareholders.

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

Members attention is drawn to Item No. 5 of the Notice for the appointment of Ms. Kakarla Usha as a Director of the Company, to Item No.6 of the Notice for the appointment of Mr. Bhaskar Bhat as a Director of the Company and to Item No.11 of the Notice for the appointment of Ms. Sindhu Gangadharan as an Independent Director of the Company for a period of five years from 8th June 2020.

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

28. Details of Key Managerial Personnel who were Appointed or have Resigned during the year

During the year, Mr. Bhaskar Bhat retired as Managing Director of the Company effective 30th September 2019 and Mr. C K Venkataraman, was appointed as the Managing Director effective 1st October 2019 subject to the approval of the shareholders of the Company. Pursuant to the provisions of Section 203 of the Act, Mr. C K Venkataraman-Managing Director, Mr. S. Subramaniam - Chief Financial Officer and Mr. Dinesh Shetty - General Counsel & Company Secretary are the Key Managerial Personnel of the Company.

29. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and operating effectively.

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

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

- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Board Evaluation

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Board Nomination and Remuneration Committee (BNRC) and the Board. This was based on questionnaire responses and feedback received through one on one insighting by the BNRC Chairperson with each Director.

Based on the questionnaire and feedback, the performance of every Director was evaluated by the BNRC.

Some of the key criteria for performance evaluation, as laid down by the BNRC were as follows:

Performance evaluation of directors:

Contribution at Board/Committee meetings and Guidance/support to Management outside Board/Committee Meetings.

Performance evaluation of Board and Committees:

Board structure and composition, Degree of fulfillment of key responsibilities, Establishment and delineation of responsibilities to Committees, Effectiveness of Board Processes, Information and Functioning, Board Culture and Dynamics, Quality of relationship between the Board and Management, Efficacy of communication with External Stakeholders and Committees – strengths and areas of improvement.

31. Independent Directors

A separate meeting of the Independent Directors (“Annual ID Meeting”) was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the BNRC with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Board Chairman.

32. Remuneration Policy

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

33. Policy on Directors’ Appointment and Remuneration and other Details

In accordance with the agreement between the promoters, three Directors each may be nominated by Tata Sons and TIDCO.

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

The Board Nomination and Remuneration Committee (“Committee”) oversees the Company’s nomination process for Independent Directors and in that connection to identify, screen and review individuals qualified to serve as an Independent Director on the Board.

Process for selection

The Committee may act on its own in identifying potential candidates. The Committee shall review and discuss details pertaining to candidates and will conduct evaluation of candidates in accordance with the process that it sees fit and appropriate and thereafter pass on its recommendation for nomination to the Board, based on the following guidelines:

Attributes

- i) The Committee shall seek candidates who is not a nominee or related to either Promoters of the Company. Such candidates shall possess integrity, leadership skills, managerial qualities, foresight abilities and competency required to direct and oversee the Company’s management in the best interest of its stakeholders i.e. shareholders, customers, employees and communities it serves.
- ii) The candidate must be willing to regularly attend the meetings of the Board and develop a strong understanding of the Company, its businesses and its needs, to contribute his/her time and knowledge to the Company and to be prepared to exercise his/her duties with skill and care. Besides these, the candidate should have an understanding of governance concepts and legal duties of a Director.
- iii) It is desirable that the candidate should have expertise to fill in the gap(s) identified by the Company in the current composition of the Board.
- iv) Ideally the candidate should possess experience of 5 years on the Board of a listed company.
- v) The candidate’s age shall not exceed 70 years at the time of joining the Board.
- vi) Fortrightness and ability to possess foresight abilities in the Governance of a Corporate.

Board Composition

Keeping in mind that women constitute a majority of the Company's customers it would be desirable to have one-third of the Board's strength represented by woman members.

Procedure

1. The Committee may retain search firms or advisors as it deems appropriate to identify candidates.
2. Develop a list of potential candidates of Independent Directors which may be refreshed every year. The Committee to create a list of probable candidates from known sources or from the database of Ministry of Corporate Affairs, Government of India or Stock Exchanges.
3. The Committee may also consider profiles of suitable expatriates.

4. The candidate considered by the Committee as potentially qualified will be contacted to determine their interest in being considered to serve on the Board and if interested will be interviewed.

As and when a candidate is shortlisted, the Committee will make a formal recommendation to the Board.

34. Other Disclosures

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

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

Sl. No.	Name of the Director	Ratio (times)	% change
A]	Director's remuneration		
1	Mr. N Muruganandam	4.57	-28.64
2	Mr. Arun Roy	4.86	NA*
3	Mr. Ramesh Chand Meena ¹	2.50	NA*
4	Ms. Kakarla Usha ²	1.07	NA*
5	Mr. N. N. Tata ³	3.86	-15.25
6	Mr. Harish Bhat ³	4.04	NA*
7	Mr. T. K. Balaji ⁴	2.10	NA*
8	Ms. Hema Ravichandar	9.92	5.90
9	Ms. Ireena Vittal	8.81	-4.11
10	Mr. Ashwani Puri	7.57	-15.25
11	Mr. B Santhanam	6.06	19.65
12	Mr. Pradyumna Vyas	3.65	NA*
13	Dr. Mohanasankar Sivaprakasam ⁵	3.12	NA*
14	Mr. Bhaskar Bhat ⁶ - as Managing Director	86.65	NA*
15	Mr. Bhaskar Bhat ⁷ - as Non-Executive Director	2.68	NA*
16	Mr. C K Venkataraman ⁸	51.48	NA*
B]	Key Managerial Personnel		
17	Mr. S Subramaniam	-	19
18	Mr. Dinesh Shetty	-	12

¹ Mr. Ramesh Chand Meena, IAS, nominee of TIDCO resigned from the Board with effect from 14th October 2019.

² Ms. Kakarla Usha, IAS, nominee of TIDCO was appointed effective 21st November 2019

³ In line with the internal guidelines, no payment is made towards commission to Mr. Harish Bhat and Mr. N N Tata, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies

⁴ Mr. T K Balaji ceased to hold office as an Independent Director of the Company with effect from 1st August 2019 upon completion of his tenure on 31st July 2019 as approved by the shareholders at the 30th Annual General Meeting of the Company.

⁵ Dr. Mohanasankar Sivaprakasam was appointed as an Independent Director on the Board effective 3rd July 2019.

⁶ Mr. Bhaskar Bhat was Managing Director for the period 1st April 2019 to 30th September 2019 and this payment is only pertaining to the period during which he served as the Managing Director of the Company.

⁷ Mr. Bhaskar Bhat was appointed as a Non-Executive Director with effect from 1st October 2019 and this payment is only pertaining to the period October 2019 to March 2020 during which he served as a Non-Executive Director of the Company.

⁸ Mr. C K Venkataraman was appointed as Managing Director of the Company with effect from 1st October 2019

* The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2018-19 or in 2019-20.

- ii) The percentage increase in the median remuneration of employees in the financial year: 10.5%
- iii) The number of permanent employees on the rolls of the Company: 7,550
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase this year has been 10.5% across all levels. Increase in the managerial remuneration is based on market trends and performance criteria as determined by the Board of Directors and on the recommendation of the Board Nomination and Remuneration Committee (BNRC).

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

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

36. Auditors

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, BSR & Co., LLP have been appointed as Auditors for a term of five years, subject to ratification by the shareholders, from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting.

The Ministry of Corporate Affairs vide Notification dated 7th May 2018 notified several Sections of the Companies (Amendment) Act, 2017. In view of the said notification, the requirement of ratification of appointment of auditors, under Section 139 of the Companies Act, 2013, at each AGM is no longer required. Hence, the resolution to this item is not being included in the Notice to the AGM.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed V. Sreedharan & Associates, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure-V**.

c) Cost Audit

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

Board's Report

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

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

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

TIDCO and Tata Sons hold 10% or more shares in the

Company. The details of transactions with promoter/promoter group holding 10% or more shares have been disclosed in the financial statements which is part of the Annual Report.

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,

N N Tata

Vice Chairman

Mumbai

C K Venkataraman

Managing Director

Bengaluru

8th June 2020

Annexure-I

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

Technology Adoption, Adaptation and Innovation

Watches & Wearables

Manufacturing of Watches and Wearables Division has successfully implemented innovations, adopted technologies in the following areas, leading to higher productivity, safety, ergonomics, lead time reduction and improved quality

1. Twin wire EDM machine, technology with an Integrated Online Inspection System inducted for tool manufacturing.
2. Robotic automation in back cover forming presses
3. Laser cutting technology for Flat parts development for functional proto development.
4. Commissioning of an online Micro motor test System developed indigenously with Swiss expertise.
5. Software for watch movement mechanisms design simulation.
6. 3D printing technology is currently widely used for components and tooling development.
7. IIoT (Industrial Internet of Things) initiative: Installation and commissioning of an online Performance Monitoring System to optimize the operating performance of energy-intensive manufacturing and service equipment.

Jewellery

New technological developments in the industry were continuously tracked and they were adopted as relevant to the operations. Jewellery manufacturing division has also partnered with many experts and consultants to monitor, evaluate and upgrade technology and processes used in manufacturing.

Jewellery manufacturing division explored cutting-edge technologies and invested in high end imported CNC Machines. It has also invested in latest high-end rapid prototyping machines with high accuracy and precision. Industry 4.0 journey has begun in Hosur jewellery factory by piloting the technology in a few critical areas.

Key Technology Adoption

- Smart Warehouse Automation commissioned in Hosur for faster delivery. It will also be implemented at other important fulfilment centres across the country.

- Stone Play Detector Automation deployed for detecting loosely mounted diamonds in the Jewellery Product towards improving product quality.
- Jewellery manufacturing division has invested in multiple technologies for ensuring Gold and Diamond authenticity.

Innovation

The Jewellery manufacturing division continued to address various business challenges through innovation projects with the help of external as well as internal domain experts. The Total Employee Involvement Scheme (IMPACT) continued to attract employee participation. Many Kaizen projects and suggestions were implemented by employees to drive improvement across areas. Programs involving vendor partners in driving innovation for process improvements have also been initiated during this year.

Eyewear

The Eyewear manufacturing has set up world class integrated manufacturing premises for the Eyewear Division at Chikkaballapur, which along with six lens labs spread across other metro cities has provided a better reach across the value chain.

The Division has successfully continued cross learning, sharing of good practices and also feedback among its manufacturing units and stores through Knowledge Management (KM) which has resulted in upgradation of Anti-Reflective coating process with better scratch resistance property in the prescription eye wear lens manufacturing in the labs at Bengaluru, Chennai and Mumbai which use similar technologies. This has led to a better customer sentiment with respect to Quality of lenses.

New Coating named ClearSight has been launched in this year and has become very popular within short span of time. The ClearSight lens has a residual reflection colour of orangish-magenta which brings in a freshness in terms of available products in market while also balancing the skin tone of most Indian spectacle wearers. Additionally the ClearSight lenses are having blue light filtration property up to 420nm and much higher scratch resistant property than any other ophthalmic lenses. It also provides a no lens feel due to high transparency due to lowest reflection percentage.



Board's Report

A versatile progressive lens providing maximum comfort and perception of no limits which improves the visual clarity is under trials in the FY 2019-20 and will be launched in 2020-21.

Customer service team has deployed IVRS calling system for calls, a new video calling interface- i-window and also a Chat BOT to solve the store concerns at a faster rate, with better efficiency.

At the Central Warehouse located in Chikkaballapur premises, the team has deployed Robotic Process Automation (RPA) at the lens section- to generate automatic pick list and automatic invoicing. This is the first RPA project implemented in Eyewear Division. This implementation is enabled to push the order download time from 8:30 P.M. to 10:00 P.M. which resulted in 8% additional orders connecting on the same day. Lens operations under RPA are more accurate, effortless and scalable.

Conservation of Energy & Fuel

Watches & Wearables

The Division has successfully implemented various energy and fuel conservation projects with internal expertise and association with external agencies in the areas of lighting, vacuum system, air-conditioning and process water cooling/evaporation systems at its manufacturing facility. During FY 2019-20, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives are:

- In line with the vision of becoming "Carbon Neutral", the Division is continually sourcing part of its energy requirement at watch manufacturing facility through renewable energy resources – Wind Mills. During 2019-20, 9.70 million units of energy was sourced from Green Infra Wind Power Theni Limited, (Associate Company) with wind farms which represents 80.83% of the annual energy consumption and this has resulted in reducing the carbon emission to an extent of 7,178 tons.
- The Division has implemented installation of Scale Bio Removal system (SBR): for the centralized A/c system cooling tower circuit - It's an online water treatment system which reduces the Total Dissolved Solids (TDS) content in the cooling water through the electrolysis process thereby

preventing scale formation and improving the cooling tower water quality and energy performance.

- Balancing valves for air conditioning system chilled water circuit and Control integration through IIOT (Industrial Internet of Things), to optimize and control the flow of chilled water based on the temperature condition of controlled environment very precisely through digital monitoring and control devices, leading to lesser energy consumption.
- The above initiatives have resulted in energy reduction of ~ 3 lakh units per annum in the air conditioning system.
- The Watch manufacturing plant at Hosur has been awarded with the **"Green Tech Environmental Management Award-2019"** under **"Winner"** category for their best environmental management practices in the areas of energy conservation, renewable energy substitution, reduction of greenhouse gas emissions and constant reduction of environmental impacts through systematic environmental improvement programmers.
- The Division has also won the **CII National Energy Efficient Unit Award-2019** for its best energy conservation initiatives.

Jewellery

a. Steps taken for conservation of Energy

The overall electricity consumption at Hosur was reduced by 5% despite the increase in number of Machineries by initiatives like installing Energy efficient Chillers for HVAC, addressing outcomes of the Thermography Audit etc. Hosur Jewellery Plant has maintained 30% of its energy from renewable sources like wind and solar.

b. Sustainability

Jewellery Manufacturing Division has been driving sustainability initiatives successfully under the implementation of "JSM" (Jewellery Sustainability Mission). Rejuvenation of the Lake near Hosur Factory was a major initiative taken during the year. Per capita water consumption in Hosur has reduced by 15% during the year through multiple initiatives. Also, 500+ trees were planted with Miyawaki concept which improved the green cover. Overall Carbon Footprint in Hosur Factory has also been reduced by 10%.

Eyewear

The Division has put many efforts to conserve energy in many different ways. Among them, power saving by eliminating the standalone individual machine chillers in Anti-reflective coating department and connecting the centralized equipment helped the Division save 25,000 units per month summing up to saving of ₹ 1.7 lakh per month and about ₹ 20 lakh for the entire year. Also the Division commissioned variable frequency drives for induction motors in Air handling units and saved 20,000 units/month summing up to ₹ 1.4 lakh per month.

8th June 2020**Expenditure on Research & Development**

(₹ in crore)

	Year ended 31.3.2020	Year ended 31.3.2019
(a) Capital	2.44	3.77
(b) Recurring	21.53	22.48
(c) Total	23.97	26.25
(d) Total R&D expenditure as percentage of turnover	0.12%	0.14%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 156.71 crore in foreign exchange and spent ₹ 748 crore.

On behalf of the Board of Directors,

N N TataVice Chairman
Mumbai**C K Venkataraman**Managing Director
Bengaluru

Annexure-II

ANNUAL REPORT ON CSR – 2019-20

- I. Since inception, your Company has been a responsible corporation, always working to improve the quality of life of the community in general and specifically in communities present in the Company's areas of operation.

Your Company has charted out its programs and projects that are both short and long term in nature. As part of its strategy, your Company will continue to support programs that have been in place historically while realigning and sharpening focus towards the areas mentioned in the CSR policy.

During the year 2019-20, the CSR programs have reached out to 3.52 lakh individuals.

Key highlights during the year have been:

- a) The Girl Child Education initiative through a combination of Employee engagement and support by Business Associates has reached out to 38,000 girl children.
- b) The Titan LeAP Centre for skilling through its combination model of skilling for employment, employability and entrepreneurship and skilling for the differently abled is running to its full capacity.
- c) The Grantees of Design Impact Program have made significant progress during the penultimate year of the Program.
- d) Launch of a Mobile Rural Vision Screening Program - a customised bus that augments the Eye Care Program to reach out to the hinterlands of Karnataka.

All other programs continue as per plans.

The year also saw a good amount of engagement in restoration of water bodies, both in Hosur and Chennai, besides the Veerasandra lake, close to the Company's corporate office at Bengaluru is nearing completion.

Based on the broad guidelines and inputs, your Company presented its long term strategy on CSR that would strive to reach out to over 1.85 million individuals by the year 2025. The reach has been classified into three categories, viz.a) those that would create a direct or a deep impact (example: A girl child educated) b) those which are a resultant of primary reach (example: A Teacher trained) and c) those that reach out to individuals for a shorter period (example screening of the underprivileged for eye care).

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all its locations over the years. During the year 2019-20, the Company clocked more than 19,750 person-hours of volunteering involving employees across the Company, either in CSR projects or in local causes.

From the year 2020-21, your Company will spend considerable time and resources in taking forward its strategic plans, on scaling up existing projects, and on working towards creating deeper impact across all its chosen areas as part of its Policy i.e. educating the underprivileged girl child, skill development and support towards Indian Arts, Crafts and Heritage. It will also spend a significant part of its resources to support the fight against COVID-19 during the early part of the year.

The Company's CSR Policy can be accessed at https://www.titancompany.in/sites/default/files/CSR%20Policy%20%20Titan%20Company%20Limited_n.pdf

- I. Composition of CSR Committee as of 31st March 2020 was as under:
 1. Ms. Ireena Vittal – Chairperson & Independent Director
 2. Ms. Hema Ravichandar – Independent Director
 3. Mr. Pradyumna Vyas – Independent Director
 4. Mr. Arun Roy – Nominee Director of TIDCO
 5. Mr. C K Venkataraman – Managing Director
- II. The average net profits of the Company made in three preceding financial years for the purpose of computation of CSR expenditure is ₹ 1,537.67 crore
- III. Mandated CSR expenditure (2% of II above) is ₹ 30.75 crore
- IV. Details of the amount spent during the financial year:
 1. Total amount spent in the financial year - ₹ 30.99 crore
 2. Amount unspent - Nil
 3. Manner of spending – Refer Annexure A
- V. The Board CSR Committee of Titan Company Limited hereby declares that the implementation and monitoring of the CSR Projects is in compliance with the CSR Objectives and Policy of the Company.

Annexure A

Sl No	CSR Project or activity identified		Sector in which the project is covered (Schedule VII Reference)	Projects or programs 1) Local area or other districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.))	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent		Name of implementing partner(s)
	2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)						Direct (₹ Cr.)	Through implementing agency/partner (₹ Cr.)	
	Titan Kanya - Education for Girl Child									
		Academic support in Government (Govt.) Schools	ii	Tamil Nadu (TN) - Krishnagiri & Thiruvannamalai, UP-Varanasi	2.90	2.60	2.60	0.00	2.60	K C Mahindra Education Trust
		Education support for disadvantaged Girls	ii	Uttarakhand: Dehradun, Rudrapur, Tehri Garhwal, Uttarkashi, Prayagraj, Haridwar, Shahjahanpur WB: 24 Paraganas & Murshidabad UP: Mirzapur, Kheri, Kanpur	2.15	2.24	2.24	0.00	2.24	IIMPACT
	Kanya Sampoorna - Holistic Education									
		Early childhood care, School readiness, augmented education, Adolescent program, skilling, capacity building	i,ii	TN - Cuddalore	2.95	2.96	2.96	0.00	2.96	CARE India
1	Education with special focus on the Girl Child	Early childhood care, School readiness, augmented education, Adolescent program, skilling, capacity building	i,ii	Karnataka - Yadgir	1.10	0.91	0.91	0.00	0.91	Kalike
	Other Education support initiatives									
		Augmenting Education - Science education in Govt schools	ii	TN - Krishnagiri	1.00	0.96	0.96	0.00	0.96	Agastya International Foundation
		Titan Scholarship program for higher education	ii	TN - Krishnagiri, Uttarakhand - Dehradun, Pantnagar	0.94	0.63	0.63	0.63	0.00	Direct
		Education for Tribal children as part of affirmative action	ii	Karnataka - Mysore TN - Krishnagiri	0.36	0.54	0.54	0.00	0.54	Swami Vivekananda Youth Movement/ Sri Ramakrishna Seva Ashram
		Support towards creating Civic awareness among children	ii	TN - Krishnagiri	0.25	0.25	0.25	0.00	0.25	Children's Movement for Civic Awareness
		Sub-Total			11.65	11.08	11.08	0.63	10.45	



Board's Report

SI No	CSR Project or activity identified		Sector in which the project is covered (Schedule VII Reference)	Projects or programs 1) Local area or other districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads captured in last row for Titan (₹ Cr.)	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent		Name of implementing partner(s)
	2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)						Direct (₹ Cr.)	Through implementing agency/partner (₹ Cr.)	
Employment Led Skill development programs										
		ii	ii	TN - Chennai, Kanchipuram, Vellore, Tiruvannamalai & Coimbatore Districts	1.93	1.93	1.93	0.00	1.93	Naandi Foundation
		ii	ii	Karnataka - Bengaluru	0.50	0.24	0.24	0.00	0.24	SAFAL
		ii	ii	Karnataka - Mysore	0.50	0.39	0.39	0.00	0.39	Swami Vivekananda Youth Movement
		ii	ii	TN - Coimbatore	0.17	0.17	0.17	0.00	0.17	SNR Sons Charitable Trust
		ii	ii	Telangana - Hyderabad	0.46	0.61	0.61	0.00	0.61	Hyderabad Eye Institute (LVPEI)
		ii	ii	AP - Tirupathi	0.00	0.15	0.15	0.00	0.15	Anudip Foundation
Employability Skilling programs										
		ii	ii	Tamil Nadu	0.75	0.81	0.81	0.00	0.81	Naandi Foundation
		ii	ii	TN - Chennai & Trichy	0.50	0.30	0.30	0.00	0.30	Naandi Foundation
		ii	ii	Karnataka - Bengaluru & Belgaum	0.89	1.27	1.27	0.00	1.27	Association of People with Disability
		ii	ii	Karnataka - Bengaluru	0.12	0.12	0.12	0.00	0.12	Spastics Society of Karnataka
Other Skill Development & Placement Programs										
		ii	ii	TN - Salem, Kolli Hills & Karanthurai	0.45	0.35	0.35	0.00	0.35	Govt. ITI
		x	x	TN - Thiruvannamalai	0.00	0.20	0.20	0.00	0.20	Reviving Green Revolution
		ii	ii		0.25	0.00	0.00	0.00	0.00	Confederation of Indian Industry
Sub Total					6.52	6.54	6.54	0.00	6.54	6.54

SI No	CSR Project or activity identified		Sector in which the project is covered (Schedule VII Reference)	Projects or programs 1) Local area or other districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.))	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent		Name of implementing partner(s)
	2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)						Direct (₹ Cr.)	Through implementing agency/ partner (₹ Cr.)	
3	Support for Indian Arts Crafts and heritage	Project Tana Bana - reaching out to create women weavers Identification, selection, skilling and design interventions for craft entrepreneurs	v	UP - Varanasi	0.53	0.31	0.31	0.00	0.31	Human Welfare Association
			v	Kashmir	0.60	0.29	0.29	0.00	0.29	Commitment to Kashmir
4	Program recognizing design thinking in product design that enable social change.	Support to Arts-Supporting Art Research engagement over long term through providing grants Marketing Platform/ New Craft projects ACH PLATFORM PLUS NEW CLUSTERS*	v	PAN India	0.05	0.06	0.06	0.00	0.06	India Foundation of Arts
			v	Karnataka - Shimoga	0.36	0.33	0.33	0.00	0.33	Kavi Kavya Trust
			v	Karnataka	0.50	0.00	0.00	0.00	0.00	-
	Sub Total				2.04	0.98	0.98	0.00	0.98	
			i, ii & iv	Pan India	4.40	2.50	2.50	0.00	2.50	Foundation for Innovation and Social Entrepreneurship (FSE)
	Sub Total				4.40	2.50	2.50	0.00	2.50	



Board's Report

Sl No	CSR Project or activity identified		Sector in which the project is covered (Schedule VII Reference)	Projects or programs 1) Local area or other 2) Specify the state districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.))	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent		Name of implementing partner(s)
	2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)						Direct (₹ Cr.)	Through implementing agency/partner (₹ Cr.)	
Restoration of water bodies, sanitation and livelihood programs										
		Integrated Village Development Program	i, ii, iv	Uttarakhand - Tehri Garhwal	0.81	0.80	0.80	0.00	0.80	Himmotthan Society
		Watershed Program	i, ii, iv		0.60	0.70	0.70	0.00	0.70	
		Watershed programs for livelihood	i, ii, iv	TN - Cuddalore	0.60	0.76	0.76	0.00	0.76	NABARD/National Agro Foundation/ CII
Health care support										
		Happy Eyes Program - Comprehensive Eye care including support to Cataract and glasses for under privileged	i	Karnataka - Raichur, Yadgir, Gulbarga, Mandya, Chamrajnagar, Bangalore rural/urban Tamilnadu - Coimbatore Bihar - Mastichak	0.60	0.94	0.94	0.00	0.94	- Kanchi Kamakoti Medical Trust - Sankara Eye Foundation - Yugrishi Shiram Sharma Acharya Charitable Trust - Akhand Jyoti Eye Hospitals
5		Responsible citizenship								
Others										
		Prevention of Substance abuse among youth in schools	ii	Sikkim - Sikkim	0.50	0.50	0.50	0.00	0.50	Sikkim Against Addiction Towards Healthy India (SAATHI)
		Technology Incubation: Incubating companies in the space of chosen areas through institutes of repute	ix	Tamil Nadu	0.00	0.50	0.50	0.00	0.50	IIT Madras
		Odisha flood Rehabilitation	xii	Odisha	0.00	2.00	2.00	0.00	2.00	Tata Community Initiatives Trust
		One time support, Volunteering, Disaster Relief & Regional Spend	i, ii, iii, iv, xii	Locations where Titan facilities are present	2.68	3.19	3.19	3.19	3.19	Various NGOs and Direct
		Sub Total			5.79	9.39	9.39	3.19	6.20	
6		Overheads			1.60	0.49	0.49	0.49	0.00	
		Grand Total			32.00	30.99	30.99	4.31	26.68	

Note:

* Amounts for Model Career Cener and ACH Platform were budgeted, but could not be spent because of the commitment that the Company made towards the Odisha Cyclone Relief and Rehabilitation

Annexure-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	L74999TZ1984PLC001456
ii)	Registration Date	26.07.1984
iii)	Name of the Company	TITAN COMPANY LIMITED
iv)	Category/Sub Category of the Company	Public Company/Limited by shares
v)	Address of the Registered office and contact details	3, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu, India. Tel- 4344-664199 Fax-4344-276037 e-mail: investor@titan.co.in
vi)	Whether listed company (Yes/No)	Yes. Listed on BSE Limited and National Stock Exchange of India Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai- 400 011, Maharashtra, India. Tel- 22 6656 8484 Fax-22 6656 8494 Email id: csg-unit@tsrdarashaw.com

II. Principal Business Activities of the Company

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
i)	Watches	2652	12.98
ii)	Jewellery	3211	83.04
iii)	Others		3.98
TOTAL			100.00

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
i)	Favre Leuba AG, Zug, Switzerland	Foreign Company	Subsidiary	100%	2(87)
ii)	Titan Watch Company Limited, Hong Kong	Foreign Company	Subsidiary	100%	2(87)
iii)	Titan Engineering & Automation Limited Unit-II, No.141, S. Muduganapalli Village, Denkanikottai Road, Hosur Krishnagiri- 635110, Tamil Nadu, India	U33111TZ2015PLC021232	Subsidiary	100%	2(87)
iv)	Green Infra Wind Power Theni Limited No. 29, Haddows Road, Chennai – Tamil Nadu, India.	U40105DL2011PLC274929	Associate Company	26.79%	2(6)



Board's Report

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
v)	Montblanc India Retail Private Limited "INTEGRITY", No. 193, Veerasandra, Electronics City P.O., Off Hosur Main Road Bengaluru - 560 100	U52390KA2014PTC074786	Joint Venture	49%	2(6)
vi)	CaratLane Trading Private Limited 2 nd , 3 rd & 4 th Floor, #32, Rutland Gate, 2 nd Street, Khader Nawaz Khan Road, Nungambakkam, Chennai- 600 006.	U52393TN2007PTC064830	Subsidiary	72.3%	2(87)
vii)	Titan Holdings International FZCO, Dubai	Foreign Company	Subsidiary	100	2(87)
viii)	Titan Global Retail LLC, Dubai	Foreign Company	Step-down Subsidiary	99.6%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1 st April 2019				No. of Shares held at the end of the year 31 st March 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt/State Govt(s)	24,74,76,720	-	24,74,76,720	27.88	24,74,76,720	-	24,74,76,720	27.88	-
c) Bodies Corp.	22,22,25,200	-	22,22,25,200	25.03	22,22,25,200	-	22,22,25,200	25.03	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	46,97,01,920	-	46,97,01,920	52.91	46,97,01,920	-	46,97,01,920	52.91	-
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	46,97,01,920	-	46,97,01,920	52.91	46,97,01,920	-	46,97,01,920	52.91	-

Category of Shareholders	No. of Shares held at the beginning of the year 1 st April 2019				No. of Shares held at the end of the year 31 st March 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	4,60,53,962	25,200	4,60,79,162	5.19	5,02,35,917	25,200	5,02,61,117	5.66	0.47
b) Banks/FI	4,72,058	16,150	4,88,208	0.05	6,42,561	1,52,280	7,94,841	0.09	0.03
c) Central Govt/State Govt(s)	15,16,035	-	15,16,035	0.17	20,01,682	-	20,01,682	0.23	0.05
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	1,59,86,528	-	1,59,86,528	1.80	4,20,51,259	-	4,20,51,259	4.74	2.94
f) FIs	1,39,317	16,000	1,55,317	0.02	69,998	12,000	81,998	0.01	-0.01
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify) Foreign Portfolio Investors (Corporate)	17,06,10,555	-	17,06,10,555	19.22	15,73,68,983	-	15,73,68,983	17.73	-1.49
i) Others (specify) Alternate Investment Fund (Corporate)	15,36,291	-	15,36,291	0.17	35,83,567	-	35,83,567	0.40	0.23
Sub-total (B)(1)	23,63,14,746	57,350	23,63,72,096	26.62	25,59,53,967	1,89,480	25,61,43,447	28.85	2.23
2. Non-Institutions									
a) Bodies Corp.	2,40,04,573	64,060	2,40,68,633	2.71	1,22,68,630	59,440	1,23,28,070	1.39	-1.32
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,34,80,748	1,16,44,833	8,51,25,581	9.59	7,92,38,777	93,35,369	8,85,74,146	9.98	0.39
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,12,24,115	6,99,400	7,19,23,515	8.10	5,87,07,673	5,92,600	5,93,00,273	6.68	-1.42
c) Others (specify)									
1) Trusts	5,85,415	-	5,85,415	0.07	17,29,304	-	17,29,304	0.19	0.13
2) OCB	9,000	-	9,000	0.00	9,000	-	9,000	0.00	-
Sub-Total(B)(2)	16,93,03,851	1,24,08,293	18,17,12,144	20.47	15,19,53,384	99,87,409	16,19,40,793	18.24	-2.23
Total Public Shareholding (B)=(B)(1)+ (B)(2)	40,56,18,597	1,24,65,643	41,80,84,240	47.09	40,79,07,351	1,01,76,889	41,80,84,240	47.09	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	87,53,20,517	1,24,65,643	88,77,86,160	100.00	87,76,09,271	1,01,76,889	88,77,86,160	100.00	0.00



Board's Report

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April 2019			Shareholding at the end of the year 31 st March 2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LTD	24,74,76,720	27.88	0.00	24,74,76,720	27.88	0.00	0.00
2	TATA SONS PRIVATE LIMITED	18,50,58,900	20.84	0.00	18,50,58,900	20.84	0.00	0.00
3	TATA INVESTMENT CORPORATION LTD	1,78,75,640	2.01	0.00	1,78,75,640	2.01	0.00	0.00
4	TATA CHEMICALS LIMITED	1,38,26,180	1.56	0.00	1,38,26,180	1.56	0.00	0.00
5	EWART INVESTMENTS LIMITED	49,64,480	0.56	0.00	49,64,480	0.56	0.00	0.00
6	PIEM HOTELS LIMITED	5,00,000	0.06	0.00	5,00,000	0.06	0.00	0.00
		46,97,01,920	52.91	0.00	46,97,01,920	52.91	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name	Date	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year
No Change					

(iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No	Top 10 shareholder*	No of shares as on 31.03.2020	No of shares as on 31.03.2019	Net Changes	% to Capital
1	Jhunjhunwala Rakesh Radheshyam	4,05,10,395	5,07,75,645	-1,02,65,250	4.56
2	Life Insurance Corporation of India Profit Plus Growth Fund	2,01,98,921	59,92,946	1,42,05,975	2.28
3	Jhunjhunwala Rekha Rakesh	97,40,575	1,16,75,575	-19,35,000	1.10
4	SBI - Various Mutual Funds	97,07,260	64,19,347	32,87,913	1.09
5	Matthews Pacific Tiger Fund	90,15,327	90,15,327	0	1.02
6	United Nations for and on behalf of the United Nations Joint Staff Pension Fund	69,22,398	50,56,092	18,66,306	0.78
7	Government of Singapore-E	68,76,302	63,11,894	5,64,408	0.77
8	ICICI Prudential Life Insurance Company Ltd	61,11,502	65,73,011	-4,61,509	0.69
9	UTI Nifty Index Fund	58,15,441	44,29,112	13,86,329	0.66
10	ICICI Prudential - Various Mutual Funds	57,28,076	81,02,953	-23,74,877	0.65

* The shares of the Company are traded on daily basis and hence the date-wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. N N Tata				
	At the beginning of the year	46,900	0.0052	46,900	0.0052
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	46,900	0.0052	46,900	0.0052
2	Mr. Harish Bhat**				
	At the beginning of the year	80,000	0.0090	NA	NA
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	0	0	NA	NA
	At the End of the year	80,000	0.0090	NA	NA
3	Mr. T K Balaji**				
	At the beginning of the year	5,61,000	0.0631	NA	NA
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	0	0	NA	NA
	At the End of the year	5,61,000	0.0631	NA	NA
4	Mr. Bhaskar Bhat***			NA	NA
	At the beginning of the year	80,960	0.0091	80,960	0.0091
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	80,960	0.0091	80,960	0.0091
5	Mr. C K Venkataraman*				
	At the beginning of the year	14,000	0.0015	14,000	0.0015
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):				
	At the End of the year	14,000	0.0015	14,000	0.0015
6	Ms. Kakarla Usha*				
	At the beginning of the year	50	0.0000	50	0.0000
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):				
	At the End of the year	50	0.0000	50	0.0000
5	Mr. Dinesh Shetty				
	At the beginning of the year	10	0.0000	10	0.0000
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	10	0.0000	10	0.0000

* Appointed during the year

** Resigned during the year

*** MD upto 30th September 2019 and NED from 1st October 2019.



Board's Report

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Nil

VI. Remuneration of Directors and Key Managerial Personnel:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in crore)

Sl. No.	Particulars of Remuneration	Mr. Bhaskar Bhat*	Mr. C K Venkataraman**
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.13	1.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.10	0.08
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify.....	3.00*	1.95**
5	Others, please specify	-	-
	Total (A)	6.23	3.60
	Ceiling as per the Act		105.89

* Superannuated from the services of the Company on 30th September 2019. Proposed commission amount payable during the year 2020-21 pertaining to the year 2019-20.

** Appointed as Managing Director of the Company with effect from 1st October 2019. Proposed commission amount payable during the year 2020-21 pertaining to the year 2019-20.

B. Remuneration to other Directors:

(₹)

S. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Total Amount
1	Independent Directors			
	Mr. T K Balaji	1,90,000	14,66,667	16,56,667
	Ms. Hema Ravichandar	5,30,000	69,45,833	74,75,833
	Ms. Ireena Vittal	6,00,000	61,66,667	67,66,667
	Mr. Ashwani Puri	5,80,000	53,00,000	58,80,000
	Mr. B Santhanam	5,80,000	42,41,666	48,21,666
	Mr. Pradyumna Rameshchandra Vyas	3,30,000	25,58,333	28,88,333
	Dr. Mohanasankar Sivaprakasam	2,80,000	21,83,334	24,63,334
	Total (1)	30,90,000	2,88,62,500	3,19,52,500
2	Other Non-Executive Directors			
	Mr. N Muruganandam (nominated by TIDCO)	50,000	32,00,000	32,50,000
	Mr. Ramesh Chand Meena (nominated by TIDCO)	1,80,000	17,50,000	19,30,000
	Mr. Arun Roy (nominated by TIDCO)	90,000	34,00,000	34,90,000
	Ms. Kakarla Usha (nominated by TIDCO)	50,000	750,000	8,00,000
	Mr. N N Tata (nominated by Tata Sons Private Limited)	4,20,000	-	31,20,000
	Mr. Harish Bhat (nominated by Tata Sons Private Limited)	3,30,000	-	31,55,000
	Mr. Bhaskar Bhat* (nominated by Tata Sons Private Limited)	2,00,000	18,75,000	20,75,000
	Total (2)	13,20,000	1,65,00,000	1,78,20,000
	Total Managerial Remuneration	44,10,000	3,98,37,500	4,42,47,500
	Ceiling as per the Act (₹ crore)			21.18

* for the period 1st October 2019 to 31st March 2020

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

(₹ in crore)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.14	3.48	4.62
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.03	0.13	0.16
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...			
5	Others, Allowances	-	-	-
	Total	1.17	3.61	4.78

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

Annexure-IV

DIVIDEND DISTRIBUTION POLICY

Scope and Purpose

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

Objective

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

Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. 4th November, 2016.

Key Parameters to be Considered while Declaring the Dividend

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

Financial Parameters/Internal Factors :

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

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

External Factors:

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

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

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

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

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

Utilization of retained earnings:

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

Parameters adopted with regard to various classes of shares:

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

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

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

Procedure:

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

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

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

Disclosure:

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

General:

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

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

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



Annexure-V

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended 31st March 2020

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31st March 2020 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

- (vi) Other Laws Applicable to the Company namely:
- a. Industries (Development & Regulation) Act, 1951
 - b. The Factories Act, 1948
 - c. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
 - d. The Apprentices Act, 1961
 - e. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - f. The Employees State Insurance Act, 1948
 - g. The Workmen's Compensation Act, 1923
 - h. The Maternity Benefits Act, 1961
 - i. The Payment of Gratuity Act, 1972
 - j. The Payment of Bonus Act, 1965
 - k. The Industrial Disputes Act, 1947
 - l. The Trade Unions Act, 1926
 - m. The Payment of Wages Act, 1936
 - n. The Minimum Wages Act, 1948
 - o. The Child Labour (Regulation & Abolition) Act, 1970
 - p. The Contract Labour (Regulation & Abolition) Act, 1970
 - q. The Industrial Employment (Standing Orders) Act, 1946
 - r. Equal Remuneration Act, 1976
 - s. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
 - t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
 - u. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
 - v. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
 - w. Dangerous Machines (Regulation) Act, 1983
 - x. Indian Boilers Act, 1923
 - y. The Karnataka Shops & Establishments Act, 1961
 - z. The Industrial Establishments (National and Festival Holidays) Act, 1963
 - aa. The Labour Welfare Fund Act, 1965
 - bb. The Karnataka Daily Wage Employees Welfare Act, 2012
 - cc. The Environment Protection Act, 1986
 - dd. The Water (Prevention & Control of Pollution) Act, 1974
 - ee. The Water (Prevention & Control of Pollution) Cess Act, 1977
 - ff. The Air (Prevention & Control of Pollution) Act, 1981
 - gg. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
 - hh. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
 - ii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
 - jj. The Competition Act, 2002
 - kk. The Indian Contract Act, 1872
 - ll. The Sales of Goods Act, 1930
 - mm. The Forward Contracts (Regulation) Act, 1952
 - nn. The Indian Stamp Act, 1899



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- oo. The Transfer of Property Act, 1882
- pp. Indian Explosives Act, 1884
- qq. Legal Metrology Act, 2009
- rr. Electricity Act, 2003
- ss. Information Technology Act, 2000

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

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

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

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

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

We further report that:

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

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

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

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

The following events/actions were having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

- a. During the year under review Board has appointed Mr. C. K. Venkataraman as Managing Director at its meeting held on 6th August 2019 and the appointment is effective from 1st October 2019.
- b. During the year under review the Board has given approval for inviting and accepting deposits up to the limits of ₹ 61,694.78 lakh from the members and up to the limit of ₹ 1,54,236.94 lakh from the public including amounts already held as such in the respective categories under Jewellery Purchase Scheme.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

UDIN: F007260B000326117

Place: Bengaluru

Date: 8th June 2020