

TITAN COMPANY LIMITED

CIN No.: L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

FORM DPT-1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

		[Pur	sua	nt to section 73 (2)(a	i) and sed	ction /6	anu	rule 4(1) ar
l. o.	PARTICULARS GENERAL INFORMATION			INFORMATION				
١.	Name, address, website at of the company.		Bangalore-560 037. www.titan.co.in; Ph.: 080 6660 9000			Road,		
	Business carried on by the company and its subsidiaries with the details of branches		26 th July 1984 The Company is engaged in business of: • Watches and Accessories					
	or units, if any.		- Watches and Accessories - Jewellery - Eyewear - Precision Engineering BUSINESS CARRIED ON BY THE SUBSIDIARIES OF THE COMPANY: 1) Titan TimeProducts Limited: Manufacture and supply of electronic sub-assemblies					
			(c) Favre Leuba AG, Switzerland: Owns the Fa (d) Titan Engineering and Automation Limite	avre Leuba brand a <u>ed:</u> Incorporated i	ınd plans to ma n March 2015	rket Premi for transfe	um Swiss made Watche er of the Precision	
			Engineering Business Division to its wholly owned subsidiary Titan Engineering and Automation Limited subject to such approvals as may be statutorily applicable through a court approved scheme of arrangement 4) Titan Watches Limited (100% subsidiary of Favre Leuba A G) (HongKong) Titan Watch Company became a subsidiary of the Company's subsidiary Favre Leuba AG during the year 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 as it has not yet commenced business.					
				DETAILS OF BRANCHES/ UNITS OF THE	-	business.		
	Brief particulars of the management		-	Fhe Company has : Regional offices at Bangalore, New Delhi, Mumbai and Kolkata Manufacturing units at Hosur(Tamil Nadu), Coimbatore(Tamil Nadu), Chikkaballapur (Karnataka),				
			Т	Dehradun (Uttarakhand), Roorkee (Uttarakhand) and Pantnagar (Uttarakhand) The Company is managed by the Managing Director and a team of professional managers, subject to the superintendence, control and direction of the Board of Directors.				
	Names, addresses, DIN ar	nd occupations of the	directo		THE BOATO OF DIFEC	DIN		Occupation
	Mr. C. V. Sankar (Chairman)	Additional Chief S Department, Secr	ecretary etariat,	y to the Government of Tamil Nadu, Indus Chennai - 600 009.	stries	00703204		Administrative Service
	Mr. Bhaskar Bhat (Managing Director) Mr. T. K. Arun			anagar I Stage, Bangalore - 560 038. etary, Tamil Nadu Industrial Development	Corporation	00148778		ng Director ny Executive
	Mr. Harish Bhat	Limited, 19-A Mars	halls Ro	pad, Egmore, Chennai - 600 008. Mody Street, Mumbai - 400 001.	Corporation	02163427		ny Director
_	Mr. N. N. Tata Dr. C.G. Krishnadas Nair	Bombay House, 2 Chandrathil Mane,	4 Homi 2388/1,	Mody Street, Mumbai - 400 001. 16th A Main, HAL II Stage, Kodihalli, Banga		00024713 00059686	Compa	ny Director ny Director
	Mr. T. K. Balaji Ms. Vinita Bali	Chennai - 600 004	4.	porate Office, Aalim Centre, 82, Dr. Radha e Exotica, Cunningham Crescent Road, Ban		00002010	Industri	alist ny Director
-	Mrs. Hema Ravichandar Prof. Das Narayandas	No. 17, Moyenville	e Road,	Langford Town, Bangalore - 560 025. ssachusetts 02466, USA.		00032940	Strateg	ic HR Advisor Associate Dean,
_	Mrs. Ireena Vittal	A2 / 1202, World		st, Sector 30/41, Gurgaon - 122 001.		05195656	Harvard	d Business School ndent Strategy Advisor
		joint venture between		mil Nadu Industrial Development Corporat r has been in existence for over 30 years a				
	multi location entity with rev worth of the Company is in	venues exceeding Rs excess of Rs. 2,900	. 11,970 crores	crores and profits before tax in excess of and the Company has consistently paid e	f Rs. 1,055 crores equity dividends fo	for the year er or 25 years. Th	nded 31st he Compa	March 2015. The Net any does not have any
1.	do not pose any financial ri	sk except normal bus	iness ri	nder the deposit scheme are purely advar sk that any company in business may face on of default and present status, in repaym	e.	mers towards	jewellery	purchases and hence
,.	(i) Statutory Dues : Nil (ii) Debentures and interes	st thereon : Nil						
P	(iii) Loan from any bank or ARTICULARS OF THE DEF	POSIT SCHEME	nd intere		0	001 01-	b 004	4
	Date of passing of board re Date of passing of resolution		ting aut		on 31st July 2015. 13th September 2		ember 201	4 and subsequently
)	Type of deposits, i.e., whete	ts		Į.	Unsecured			De 70 000 C0 leike
)	Amount the Company can Aggregate of deposits actu a) Last day of the immediat	ally held on:						Rs. 72,992.68 lakhs Rs. 6,537.46 lakhs
	b) On the date of issue of of Amount of deposits propos	ed to be raised:			,			Rs. 23,856.48 lakhs Rs. 49,136.20 lakhs
/)	not have any due dates bed	cause they are not re	gular fix	ese jewellery purchase schemes of the Co ed deposits. Customers are entitled to pur y return. However, if they complete the sci	ırchase jewellery a	at any time dur	ring the	
·.		75% of one installme		time of purchase of jewellery products.				
	Duration of scheme Key conditions	10 month jewellery		nths scheme se scheme, where the customer has to	6 month iewellerv	6 Months s		ere the customer has to
	noy containenc		and th	e scheme matures after 300 days pay 6 installmen		and the sche		res after 180 days from
		The schemes will allow the customer to pay 10 fixed monthly installments of minimum of Rs. 2,000/- or above (in multiples of					ay 6 fixed monthly above (in multiples of	
	Rs. 1,000). In a span of 1 installment every month.			installment every ly required to redeem before 390 days if first installment. hase scheme, there is no return or, discount is offered at the time of installment every days from the de offered as intere		span of 6 months, customer has to pay one ry month. s mandatorily required to redeem before 240 late of payment of first installment. wellery purchase scheme, there is no return est. However, discount is offered at the time of vellery by customer as below:		
	Rate of interest	offered as interest. Howev						
		- 75% of one month	hase of jewellery by customer as below: 6 of one month installment as discount upon the completion 5 days from the date of joining the scheme. 10 e customer wishes to redeem after 300 days but before 365 10 discount would proportionately vary between 55% to 75%		- 20% of one month installment as discount upon the completion of 180 days from the date of joining the scheme.			
		- If the customer wi						
		of one month instal	lment b	based on number of days. 180 days.		ays.		
	300 days. In case the customer do		er does	not redeem within 390 days principal		omer does not redeem within 240 days principa e refunded without any benefits.		
_	Mode of payment	Cash/ Cheque/ DD	/ ECS/ A			D/ ECS/ ACH/	Credit Ca	ard by way of monthly
	Mode of repayment	by way of monthly a Redemption of the of jewellery		e will generally be by way of purchase	advances Redemption of the of jewellery	e advance wi ll	generally	be by way of purchase
				quests refund in cash, payment will be In case the custo		omer requests refund in cash, payment will b / DD/ electronic transfer without any return		
				es not redeem within 390 days only the In case the cus		omer does not redeem within 240 days only t		•
		Electronic transfer			Electronic transfer	r		way of cheque/ DD/
	Proposed time schedule me of opening of the Scheme a for which the circular or adv	and the time period	circula	company has been operating these schem ar is being issued to continue to accept su h September 2016 or the date of the Com	ubscriptions during	the FY 2015-	16. This	circular shall be valid
•	Reasons or objects of raising		Titan 2013	has been operating the above jewellery so advances collected under these schemes	chemes for more t are construed as	han a decade deposits. For	. As per the the Comp	ne Companies Act, pany, these schemes
_	Credit rating obtained			istomer acquisition programmes, whereas ase jewellery by investing on a monthly ba		, mese schem	es provide	e an opportunity to
	(i) Name of the Cred (ii) Rating obtained: N	MAAA (pronounced as	s M Trip	le A)			2D4 =	
	programme carries	lowest credit risk. Va	did till 1	rating is 'stable'. MAAA is the highest-creating is 'stable'. MAAA is the highest-creating will be obtained a fresh rating will be obtained.				rated deposits
_	Extent of deposit insurance (i) Name of the Insura	: ance Company,	, ,5,7110	Deferred till 31st March, 2016 vide MCA		,		t March 2015 and
	(ii) Terms of the insura (iii) Duration of covera (iv) Procedure for clain	ge, extent of coverage		therefore not applicable. Will be complie				
(iv) Procedure for claim in case of default etc. Short particulars of the charge created or to be created for securing such deposits, if any. Unsecured and therefore not applicable								
Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is			Nil					
Г	different from the interests of	of other persons.	as II IS					
DETAILS OF ANY OUTSTANDING DEPOSITS a. Amount Outstanding:			Rs. 23,856 lakhs Amount outstanding represents advances collected from prospective customers under erstwhile					
Date of acceptance:		jewellery purchase schemes that were not construed as deposits. On various dates						
	Total amount accepted: Rate of interest:			Rs.24,445 lakhs during F.Y. 2014-15 upto 30th July 2015 Since, it is a jewellery purchase scheme, there is no return offered as interest. However, discount ranging between 55% and 75% of one installment is offered to customer at the time of purchase				
_	Total number of depositors:			ranging between 55% and 75% of one installment is offered to customer at the time of purchase of jewellery.				
•	Default, if any, in repaymen interest thereon, if any, inclu	t of deposits and pay		108,573 Nil				
	amount and duration of defa			Nil				
٦.	MILL MAINEL IN THE THE TICK			i .				

4. FINANCIAL POSITION OF THE COMPANY

a. Profits of the company, before and after making provision for tax for the three financial years immediately preceding the date of circular or advertisement

Financial year	Profit Before Tax(Rs. in lakhs)	Profit After Tax (Rs. in lakhs)			
2014-15	105,589	82,307			
2013-14	101,593	74,114			
2012-13	100,627	72,518			

b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

Financial year	Dividend	Interest Coverage	
Financial year	Amount (Rs in lakhs)	%	Ratio
2014-15	20,419	230	12.29
2013-14	18,644	210	10.26
2012-13	18,644	210	16.40

circular or advertisement (figures of previous years were regrouped wherever necessary). (Rs. in lak				
Particulars	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	
. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
Share capital	8,878	8,878	8,878	
Reserves and surplus	300,323	243,517	187,609	
	309,201	252,395	196,487	
(2) Non-current liabilities				
Long-term provisions	8,745	7,176	6,290	
	8,745	7,176	6,290	
(3) Current liabilities				
Short-term borrowings	9,979	80,627	-	
Trade payables	193,931	85,771	209,726	
Other current liabilities	30,895	154,802	145,735	
Short-term provisions	34,473	29,923	29,318	
	269,278	351,123	384,779	
Total	587,224	610,694	587,556	
II. ASSETS				
(1) Non-current assets				
Fixed assets				
Tangible assets	67,986	59,035	44,022	
Intangible assets	337	589	842	
Capital work-in-progress	5,493	3,287	4,166	
	73,816	62,911	49,030	
Non-current investments	3,263	2,657	1,851	
Deferred tax asset (net)	1,967	935	804	
Long-term loans and advances	24,283	21,784	17,222	
	103,329	88,287	68,907	
(2) Current assets				
Inventories	404,743	386,720	367,794	
Trade receivables	18,735	15,202	16,379	
Cash and cash equivalents	21,020	88,892	113,655	
Short-term loans and advances	38,961	29,922	19,869	
Other current assets	436	1,671	952	
	483,895	522,407	518,649	
Total	587,224	610,694	587,556	

(Rs. in lakhs) Particulars 2012-13 A. Cash flow from operating activities Net profit before tax 105,589 101,593 100,627 Adjustments for 6,559 - Depreciation / Amortization Expense 8.739 5 449 - Net unrealised exchange gain /(loss) (168) 27 (1,202) - Marked to Market loss 23 15 - Loss on sale/disposal/scrapping of fixed assets (net) 418 287 185 - Bad trade receivables written off - Provision for doubtful trade receivables/ advances (net) 545 155 - Interest income (6,405)(11,944)(9,987)- Dividend income - Net gain on sale of current investments (24) 8,711 5,064 - Finance costs 8,066 Operating profit before working capital changes 116,760 105.258 100.306 Adjustments for (3,904)- (Increase)/ decrease in trade receivables (199)- (Increase)/ decrease in inventories (18,023)(18,925)(79,834)(4,749)2,552 (772) - (Increase)/ decrease in short-term loans and advances (2,393)(3,128)(1,889) - (Increase)/ decrease in long-term loans and advances - Increase/ (decrease) in trade payables 108,012 (123,939)22,363 40,388 (123.786)9.009 - Increase/ (decrease) in other current liabilities 534 - Increase/ (decrease) in long-term provisions 1,568 887 - Increase/ (decrease) in short-term provisions 1,786 606 1.893 Cash generated from operations 75,271 82,790 (26.614)(27,480) - Direct taxes paid (24,488)(28,515)Net cash from/ (used in) operating activities 50,783 (55,129)55,310 B. Cash flow from investing activities Additions to fixed assets (including capital work-in-progress (20,881) (20,879) (16,642)and capital advances) Proceeds from sale of fixed assets 231 160 380 Purchase of investments in subsidiaries (606)(806)(280)Inter-corporate deposits (net) (4,800)(9,000)(10,000)Bank balances not considered as cash and cash equivalents 5,958 (8,283)Current investments not considered as cash and cash equivalents - Purchased (13,500)- Sale proceeds 13,524 Dividends received Interest received 7,640 11,226 12,310 Net cash used in investing activities (12,434)(27,582)(14,232)C. Cash flow from financing activities Proceeds from borrowings 210,000 175,627 Repayment of borrowings (280,648)(95,542)(542)Dividends paid (18.523)(18.523)(15,435)Tax on dividends paid (2,520)(3,168)(3,168)Finance costs (8,066)(8,711) (5,065) Net cash from/ (used in) financing activities (100,405)49,683 (23,562)17,516 Net cash flows during the year (A+B+C) (62,056)(33.028)Cash and cash equivalents (opening balance) 78,753 111,800 96,053 Add: Cash and bank balances acquired on amalgamation 448 Add/(Less): Unrealised exchange (gain)/loss 63 44 (318)78,816 111,844 96,183 Cash and cash equivalents (closing balance) 16,839 78,753 113,655 Add/ (Less): Unrealised exchange (gain)/ loss 63 44 16,760 78,816 113,699 Increase/ (decrease) in cash and cash equivalents (62,056)(33,028)17,516 e. Any change in accounting policies during the last three years There is no change in accounting policies during the last three years. and their effect on the profits and the reserves of the company.

5. DECLARATION BY DIRECTORS

The Board of Directors hereby declare that -

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

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 31st July 2015, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

> Mr.C V Sankar Mr.Harish Bhat Mr.Bhaskar Bhat Mr.N N Tata Mr.T K Balaji Dr.C G Krishnadas Nair Mrs.Ireena Vittal Mr.T K Arun Mrs.Hema Ravichandar