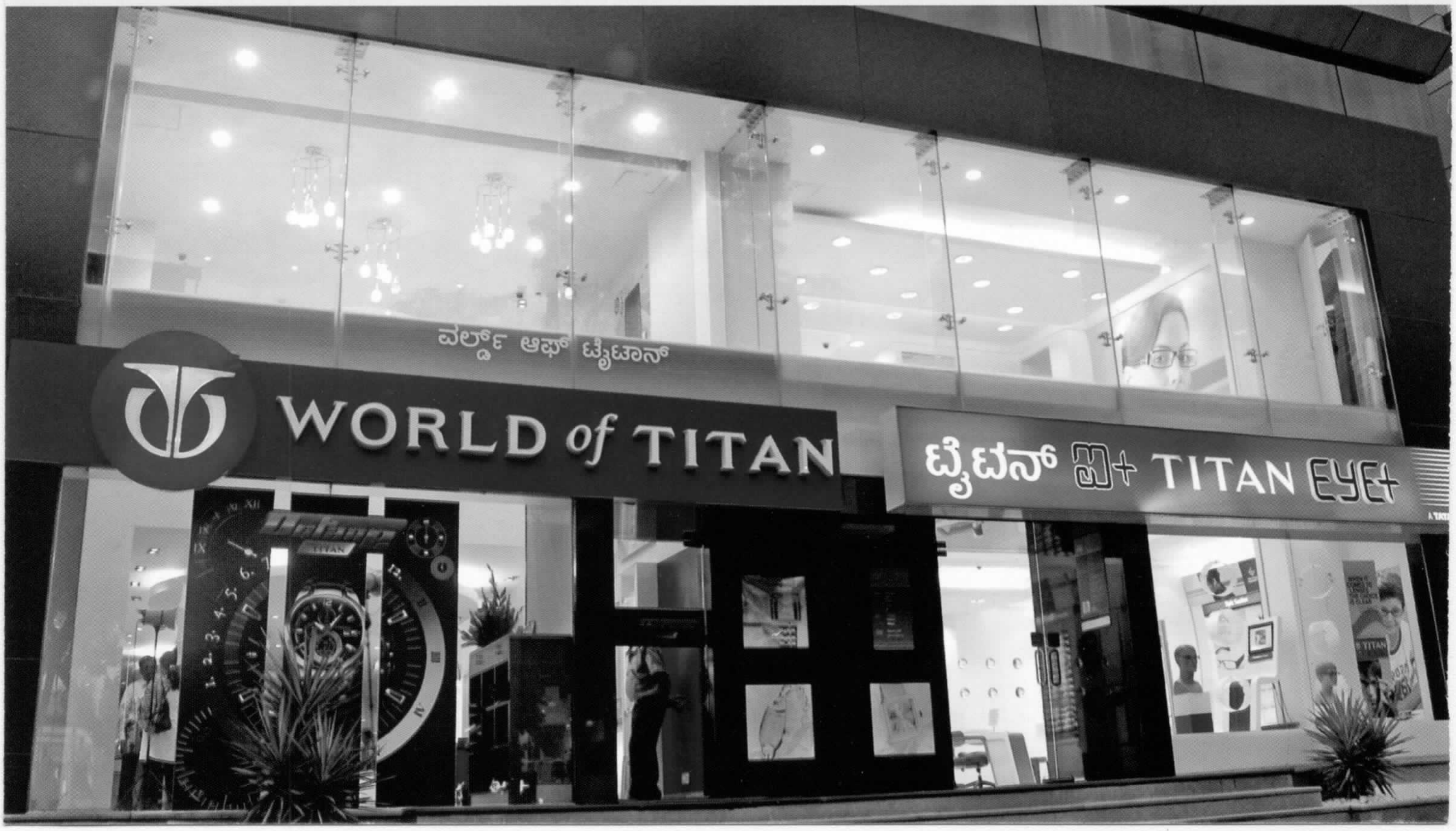
TITAN INDUSTRIES

Company showrooms for Jewellery, Watches and Eyewear in Bangalore



BOARD OF DIRECTORS

M F Farooqui (Chairman) (from 05.12.2007)
Shaktikanta Das (upto 05.12.2007)
S Ramasundaram
Kumar Jayant (from 29.10.2007)
Sunil Paliwal (upto 29.10.2007)
S Susai
Bhaskar Bhat (Managing Director)
Ishaat Hussain
Farrokh Kavarana
N N Tata
T K Balaji
C G Krishnadas Nair
Nihal Kaviratne, CBE
Vinita Bali

COMPANY SECRETARY

Usha Iyengar

AUDITORS

Deloitte Haskins & Sells (formerly A F Ferguson & Co.)
(Chartered Accountants)

BANKERS

Canara Bank
Bank of Baroda
Hongkong Bank
Standard Chartered Bank
Oriental Bank of Commerce
Union Bank of India
Indian Bank

REGISTERED OFFICE

3, SIPCOT Industrial Complex,
Hosur 635 126

OVERSEAS BRANCH OFFICES

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

United States of America: C/o. Tata Interactive Systems,
2124, Oak Tree Road, Ist Floor, Edison, New Jersey 08820
Tel: 732 906 0002

SHARE DEPARTMENT

TSR Darashaw Ltd
(formerly Tata Share Registry Limited)
Unit : Titan Industries Ltd.,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi,
Mumbai 400 011

CONTENTS

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

Notice

The Twenty-fourth Annual General Meeting of Titan Industries Limited will be held at the Registered Office of the Company, at 3 SIPCOT Industrial Complex, Hosur 635 126, on Thursday, 31st July 2008 at 2.30 p.m. to transact the following business:

1) To receive and adopt the Director's Report and Audited Profit and Loss Account for the year ended 31st March 2008 and the Balance Sheet as at that date together with the report of the Auditors thereon.
2) To declare dividend on Equity Shares.
3) To appoint a Director in place of Mr. N N Tata who retires by rotation and is eligible for re-appointment.
4) To appoint a Director in place of Mr. T K Balaji who retires by rotation and is eligible for re-appointment.
5) To appoint a Director in place of Dr. C G Krishnadas Nair who retires by rotation and is eligible for re-appointment.
6) To appoint a Director in the place of Mr. M F Farooqui who was appointed as an Additional Director by the Board of Directors with effect from 5th December, 2007 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 117 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing his candidature for the office of Director.
7) To appoint a Director in the place of Mr. Kumar Jayant who was appointed as an Additional Director by the Board of Directors with effect from 29th October, 2007 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 117 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing his candidature for the office of Director.
8) To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of the Companies Act, 1956 (including and modifications and re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contracts Regulations Act, 1956 and rules framed there under, SEBI (Delisting of Securities) Guidelines, 2003, and other guidelines issued by SEBI from time to time, Listing agreements and all other applicable laws, rules and regulations and guidelines and subject to such approval(s), permission(s) and sanction(s) as may be necessary and subject to any conditions and modifications as may be prescribed or imposed by such authority while granting the approval(s),permission(s) and sanction(s), the Board of Directors (hereinafter refer to as "the Board" and which term shall deemed to include any Committee thereof) be and is hereby authorized and accorded consent from the Company to get the securities (equity shares and non-convertible debentures) of the Company delisted from the Madras Stock Exchange Ltd."
9) To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that M/s. Deloitte Haskins & Sells be and hereby are appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to audit the Accounts of the Company for the financial year 2008-09, including audit of Cash Flow Statements, on a remuneration to be mutually agreed by and between the Board of Directors of the Company and the Statutory Auditors."

Notes:

a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item nos. 6, 7, 8 & 9 above are annexed hereto.
b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY MAY NOT VOTE EXCEPT ON A POLL.
c) Members are requested to inform the Company's Registrars and Share Transfer Agents viz., TSR Darashaw Ltd (formerly Tata Share Registry Ltd), regarding changes, if any, in their registered addresses along with the PIN code number.
d) The Register of Members and the Transfer Books of the Company will be closed from Thursday, 17th July 2008 up to Thursday, 31st July 2008, both days inclusive.
e) Members may please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31st March 2000, have been transferred to the Investor Education and Protection Fund, as required by statute.

   Members may please note that in view of the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims.

f) The dividend on equity shares as recommended by the Directors, if declared at the Annual General Meeting, will be paid within the statutory period of 30 days to those members whose name appear on the Register of Members of the Company as on 31st July 2008. In respect of shares held in electronic form, dividend will be paid to the beneficial holders as per the beneficiary list as on 16th July 2008, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.

g) As per the provisions of the amended Companies Act, 1956, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. TSR Darashaw Limited (formerly Tata Share Registry Ltd). A specimen nomination form (Form 2B) is attached to this Annual Report for use by the Shareholders.

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

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

The Madras Stock Exchange Ltd.,
(Regional Stock Exchange)
Exchange Building,
11 Second Line Beach,
P.O. Box No. 183,
Chennai 600 001

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

The Company has paid the annual listing fees to each of the above Stock Exchanges for the financial year 2008-09.

i) Members are requested to intimate to the Company, queries if any, regarding the accounts/notices at least 10 days before the Annual General Meeting to enable the management to keep the information ready at the meeting. The queries may be addressed to: The Company Secretary, Titan Industries Limited, Golden Enclave, Tower-A, Airport Road, Bangalore 560 017. (Telephone: 080– 6660 9610) Members are requested to bring their copies of Annual Reports to the Annual General Meeting.

j) For the convenience of Members, the Company will provide a coach service from Bangalore on the day of the Meeting. The coaches will leave for Hosur at 12 noon from the following four locations:

1) Jayanagar - Southend Circle
2) Malleswaram / Rajajinagar - near ISKCON temple
3) Golden Palm Station, near BRV theatre
4) Airport Road, behind Leela Palace Hotel

By Order of the Board of Directors

Registered Office:
3, SIPCOT Industrial Complex
Hosur 635 126
20th June 2008

Usha Iyengar
Company Secretary

Annexure to Notice

As required by Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business mentioned under item Nos. 6, 7, 8, & 9 of the accompanying Notice dated 20th June 2008.

Item No. 6 :

Mr. M F Farooqui, IAS was appointed as an Additional Director of the Company by the Board of Directors with effect from 5th December 2007. In terms of Sec 260 of the Companies Act, 1956, Mr. M F Farooqui holds office as a Director till the date of the ensuing Annual General Meeting of the Company, but is eligible for appointment. Notice in writing has been received from a Shareholder of the Company signifying their intention in proposing Mr. M F Farooqui as a candidate for the office of Director.

Mr. M F Farooqui is the Secretary to the Government of Tamilnadu, Industries Department and a nominee director of Tamilnadu Industrial Development Corporation Ltd, the co-promoter of the Company.

The Board considers it desirable that the Company continues to avail of the services and wise counsel of Mr. M F Farooqui and accordingly the Directors recommend that he be appointed as a Director of the Company.

Other than Mr. M F Farooqui, none of the other Directors, are in any way, concerned or interested in this resolution.

Item No. 7 :

Mr. Kumar Jayant, IAS was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th October 2007. In terms of Sec. 260 of the Companies Act, 1956, Mr. Kumar Jayant holds office as a Director till the date of the ensuing Annual General Meeting of the Company, but is eligible for appointment. Notice in writing has been received from a Shareholder of the Company signifying their intention in proposing Mr. Kumar Jayant as a candidate for the office of Director.

Mr. Kumar Jayant is an Executive Director of Tamilnadu, Industries Department and a nominee director of Tamilnadu Industrial Development Corporation Ltd, the co-promoter of the Company.

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

Other than Mr. Kumar Jayant, none of the other Directors, are in any way, concerned or interested in this resolution.

Item No. 8 :

The Securities (equity shares and non-convertible debentures) of the Company are presently listed on the following three stock exchanges:

1) Mumbai Stock Exchange Ltd., Mumbai (BSE)
2) National Stock Exchange of India Limited, Mumbai (NSE)
3) Madras Stock Exchange Ltd., Chennai (MSE)

With the extensive networking of BSE and NSE, the members of the Company have access to online dealing in the Company's securities (equity shares and non-convertible debentures) across the country. Furthermore, the bulk of dealings in the Company's securities (equity shares and non-convertible debentures) generally take place on NSE and BSE. There has been an insignificant trading on Company's securities (equity shares and non-convertible debentures) in the Regional Stock Exchange for the past few years as reported by MSE.

It is felt that continued listing with Regional Stock Exchanges does not provide any significant tangible advantage to the members of the Company. Therefore, the Company proposes to get its securities (equity shares and non-convertible debentures) delisted from MSE. The equity shares and non-convertible debentures of the Company will continue to be listed on the Stock Exchange, Mumbai, (BSE) and the National Stock Exchange of India Limited (NSE). There would be no change in the capital structure of the Company post delisting. The Company has paid listing fee within the stipulated time. In line with the SEBI guidelines, member's approval is sought by a Special Resolution for enabling voluntary delisting of the Company's securities from the stock exchange mentioned above. The proposed delisting will not adversely affect the investors. The delisting will take effect after all approval(s), permission(s) and sanction(s) are received from appropriate authorities, wherever required.

At the Board Meeting of the Company held on 25th April 2008, the Board of Directors of the Company have approved the delisting of the Company's securities (equity shares and non-convertible debentures) from the Madras Stock Exchange Ltd and recommend passing of the aforesaid Special Resolution at Item No.8.

Memorandum of concern/ interest:

None of the Directors of the Company is in any way concerned/interested in the aforesaid resolution.

Item No. 9 :

M/s. A F Ferguson & Co., Chartered Accountants, have been the Statutory Auditors of the Company since its inception in 1984. M/s. A F Ferguson & Co (AFF) is now a part of Deloitte Haskins & Sells (DHS) and it has been decided that DHS would be appointed as Statutory Auditors of the Company to audit the Accounts of the Company for FY 2008-09.

Accordingly, M/s. A F Ferguson & Co., have expressed their unwillingness to be re-appointed at the conclusion of the ensuing Annual General Meeting. The Company has received a special notice from a shareholder of the Company, in terms of the provisions of the Companies Act, 1956, signifying the intention to propose the appointment of Deloitte Haskins & Sells as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Deloitte Haskins & Sells have also expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Sec. 224 (1B) of the Companies Act, 1956.

The Shareholders are requested to approve the appointment of Deloitte Haskins & Sells as the Statutory Auditors, to audit the Accounts of the Company for FY 2008-09.

Since the shareholding pattern of the Company is such that the provisions of Section 224A of the Companies Act, 1956, are applicable, the appointment of M/s. Deloitte Haskins & Sells as Auditors of the Company is required to be made by a special resolution. Accordingly, it is proposed to appoint M/s. Deloitte Haskins & Sells as auditors of the Company for the financial year 2008-09.

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

By Order of the Board of Directors

Registered Office:
3, SIPCOT Industrial Complex
Hosur 635 126
20th June 2008

Usha Iyengar
Company Secretary

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

(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	M F Farooqui	Kumar Jayant	N N Tata	T K Balaji	C.G. Krishnadas Nair
Date of Birth	28-6-1954	22-12-1967	12-11-1956	12-7-1948	17-8-1941
Date of appointment	5-12-2007	29-10-2007	7-8-2003	1-3-1986	02-05-2002
Expertise in specific Functional areas	Project Management, Disaster Relief, General Administration	Project Management, e- governance	Wide knowledge and experience in sales and marketing and possesses the expertise in retailing business.	Industrialist with rich business experience	Rich experience covering academia, R&D and industry Retired as Chairman & CEO of Hindustan Aeronautical Ltd
Qualifications	IAS, M Sc (Phy) (Electronics)	IAS. B Tech (Elec)	B.A. (Economics) from university of Sussex and IEP, INSEAD, France	B.E	B.E(Metallurgy), M.Sc., Engg, Ph.D, Engg
Shareholdings	-	-	2345	28050	-
List of Public Companies in which outside Directorships held on 31st March, 2008	Tamil Nadu Petroproducts Ltd Tamil Nadu Newsprints & Papers Ltd TIDEL Park Ltd Southern Petrochemical Industries Corp Ltd Tamil Nadu Industrial Development Corp. Ltd State Industries Promotion Corporation of Tamil Nadu Ltd Neyveli Lignite Corp. Ltd	Tamilnadu Industrial Development Corp. Ltd Lactochem Ltd Mepco Industries Ltd TIDEL Park ltd TICEL Bio park Ltd Tanfac Industries Ltd Ennore SEZ Co. Ltd Tamilnadu Petroproducts Ltd Titan Holdings Ltd Tanishq India Ltd Titan Mechatronics Ltd TIDEL Park (Coimbatore) Ltd AMRL International Tech City Ltd	Trent Ltd Landmarks Ltd Trent Brands Ltd Voltas Ltd Tata Investment Corporation Ltd Bombay Chamber of Commerce & Industry Retailers Association of India Kansai Nerolac Paints Ltd	TVS Motor Company Ltd India Nippon Electricals Ltd Lucas-TVS Ltd Delphi-TVS Diesel Systems Ltd Lucas Indian Service Ltd TVS Electronics Ltd Sundaram Clayton Ltd T V Sundaram Iyengar & Sons Ltd Apollo Hospitals Enterprise Ltd TVS Automotive Systems Ltd	Brahmos Aerospace Thiruvannanthapuram Ltd Cochin International Airport Ltd Global Vectra Helicorp Ltd Karnataka Hybrid Micro-Devices Ltd Sika Interplants Pvt Ltd Tata Advanced Materials Ltd
Chairman/Member of the Committee of Board of Public Companies on which he/she is a Director, as on 31st March, 2008		**Audit Committee** Tamilnadu Industrial Development Corp. Ltd TIDEL Park Ltd TICEL Bio Park Ltd	**Investors' Grievance Committee** Voltas Ltd-Chairman **Remuneration Committee** Tata Investment Corporation Ltd **Investment Committee** Trent Ltd Tata Investment Corporation Ltd	**Audit Committee** Sundaram -Clayton Ltd TVS Motor Company Ltd Titan Industries Ltd **Investors' Grievance Committee** TVS Electronics Ltd Sundaram-Clayton Ltd India Nippon Electricals Ltd-Chairman **Remuneration Committee** Titan Industries Ltd-Chairman	**Audit Committee** Titan Industries Ltd **Shareholders' Grievance Committee** Titan Industries Ltd **Ethics & Compliance Committee** Titan Industries Ltd

Directors' Report

To the Members of Titan Industries Limited

The Directors are pleased to present the Twenty fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2008:

Financial Results

	Rs. in crores	
	2007-2008	2006-2007
Total Income	**3042.87**	2139.68
Less: Excise Duty	**47.35**	46.22
Net Income	**2995.52**	2093.46
Expenditure	**2743.35**	1891.80
Gross profit	**252.17**	201.66
Interest	**20.14**	20.42
Cash operating profit	**232.03**	181.24
Depreciation / Amortisation	**29.73**	25.59
Operating profit before exceptional items	**202.30**	155.65
Exceptional items :		
Provision for doubtful loans and advances	**-**	24.00
Profit before taxes	**202.30**	131.65
Income taxes - Current	**33.04**	36.95
- Deferred	**7.27**	(2.86)
- Fringe Benefit Tax	**3.70**	3.23
Profit after taxes for the year	**158.29**	94.33
Less: Income tax of earlier years	**8.02**	0.20
Net profit	**150.27**	94.13
Profit brought forward	**130.93**	77.50
Amount available for appropriation	**281.20**	171.63
Appropriations :		
Debenture redemption reserve	**5.28**	4.85
Dividend paid on preference shares	**-**	0.39
Proposed dividend on equity shares	**35.51**	22.20
Tax on dividends	**6.04**	3.83
Transfer to general reserve	**15.83**	9.43
	62.66	40.70
Balance carried forward	**218.54**	130.93

The Company achieved significant growth during the financial year 2007-08 with sales income at Rs. 3,043 crores growing by 42% from the previous year and Profit before taxes going up to Rs. 202.30 crores, up by 54% from previous year. Net profit for the year stood at Rs. 150.27 crores as compared to Rs. 94.13 crores in the previous year. The Watch segment grew by 17% to a sales income of Rs. 917.58 crores, while Jewellery sales went up by 57% to Rs. 2,028 crores. Sales of other products, including Accessories and Precision Engineering business, rose by 53% to Rs. 95.98 crores.

All brands of the Company have performed well and new introductions in both watches and jewellery, viz., the Octane series in gents watches, Raga Crystal for ladies and the Jodha-Akbar collection in Tanishq jewellery have had very good responses, which augur well for the future.

The Company continued to expand its retail network and now has perhaps the largest reach in its category, with 234 'World of Titan' showrooms and 104 'Tanishq' boutiques. The retail reach of the mass - market brand for jewellery - GoldPlus has grown to 21 show rooms. The new Titan Eye+ eyewear business now has fourteen stores.

Titan Industries Limited

Exports / International Operations

The Company achieved an export turnover of Rs. 138 crores during the year between Watches, Jewellery and Precision Engineered components.

The key challenge in exports of Watches and Jewellery is identification of profitable business opportunities across the globe, given the immense competition and clutter of brands in overseas markets. The International Business Division achieved a sales growth of 19.70% in 2007-08 over the previous year. While the Watch sales grew by 22%, Jewellery sales went up by 30% as compared to 2006-07. The turnover was impacted by appreciation of the Indian Rupee against US Dollar.

Dividend

The Directors are pleased to recommend payment of dividend on equity shares at an enhanced rate of 80% (Rs. 8.00 per equity share), if approved by the shareholders at the Annual General Meeting.

Finance

During the year under review, the Company raised a total of Rs. 346.80 crores from borrowings, of which Rs. 331.35 crores were from Commercial banks and the balance of Rs. 15.45 crores from other sources. Borrowings of Rs. 336.61 crores were repaid during the year. The Company incurred Rs. 47.45 crores as capital expenditure in respect of refurbishment and expansion programmes, outlays on retail outlets, capital investment in Precision Engineering Division and in IT Hardware systems.

The tightening of the monetary policy by RBI through successive hikes in the CRR had an adverse effect in the borrowing rates of the Company, with the commercial banks raising their lending rates. Given the current inflation rate, it is expected that this high interest rate regime will continue for some more time. As a result the average cost of borrowings for the year was 9.24% as against 8.71% in the previous year.

As on 31st March, 2008, the Company held fixed deposits of Rs. 1.73 crores from the public, shareholders and employees. There were no overdue deposits other than unclaimed deposits amounting to Rs. 0.41 crore.

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

During the year under review, the Company made payments aggregating to Rs. 369.27 crores by way of central, state and local taxes and duties as against Rs. 308.97 crores in the previous year.

Subsidiary and Associate Companies

The Company, at the beginning of the financial year had three overseas subsidiaries viz. Titan International Holdings B.V, Amsterdam (TIHBV), Titan Brand Holdings N.V, Curacao (TBHNV), Netherlands Antilles, Titan Watch Co Ltd, Hong Kong (TWC) and one wholly owned domestic subsidiary, Titan Time-Products Ltd, Goa (TTPL, Goa), India, besides six domestic and five overseas Associate Companies.

During the year, the Company took a major step towards consolidation by sale and mergers of the above constituent companies. The equity interest in two overseas wholly owned subsidiaries of the Company viz., TIHBV and TBHNV were sold during the Financial Year 2007-08 (TIHBV on 31st December, 2007 and TBHNV on 28th March, 2008) and as a result the overseas Associate companies have ceased to be Associate companies. Titan Watch Company, Hong Kong, which was a subsidiary up to date of sale of TIHBV i.e. upto 31st December, 2007, became automatically divested due to the sale as above.

As at 31st March, 2008, the Company had 7 domestic subsidiaries and no overseas subsidiary.

The operational highlights of these Subsidiary companies are as under:

TTPL sold 8.24 million Electronic Circuit Boards in 2007-08 and made a net profit of Rs. 100.78 lakhs.

Samrat Holdings Ltd and Questar Investments Ltd made a net profit of Rs. 174.81 lakhs and Rs. 18.07 lakhs respectively in 2007-08. Titan Holdings Ltd made a loss of Rs. 15.39 lakhs.

Tanishq (India) Ltd and Titan Mechatronics Ltd also made a net profit of Rs. 366.56 lakhs and Rs. 2.38 lakhs respectively. Titan Properties Ltd made a small loss of Rs. 1.41 lakhs.

None of the subsidiary companies have declared a dividend for 2007-08.

A modified Scheme of Amalgamation (u/s 391 to 394 of the Companies Act 1956), to enable purchase of minority interest, was approved by the Board of Directors of the Company, at their meeting held on 27th July 2007, subject to the required sanctions of the jurisdictional High Courts, wherein three domestic associate Companies viz., Samrat Holding Ltd, Mumbai, India, Questar Investments Ltd, Mumbai, India and Titan Holdings Ltd, Banglore, India were approved for amalgamation with Titan Industries Ltd. The buy-out of the minority interest in the three domestic associate Companies was executed on 18th February 2008. The Scheme of Amalgamation of these three Companies shall not result in change in the capital structure or expansion of the equity share capital of Titan Industries Ltd, since as per Scheme no fresh issue of equity shares is proposed.

As per the Scheme of Amalgamation, with appointed date as 1.04.2007, the cross holdings of the three merging Companies amongst themselves and the shareholding by Titan Industries Ltd in these companies, shall get cancelled and the investments held by Samrat Holdings Ltd, Titan Holdings Ltd and Questar Investments Ltd shall become the investments of Titan Industries Ltd. On the said three Companies amalgamating from the said date, three more domestic Associate Companies i.e. Tanishq (India) Ltd, Titan Properties Ltd and Titan Mechatronics Ltd shall become subsidiaries of Titan Industries Ltd. These three Companies continue as subsidiaries of Titan Industries Ltd along with Titan TimeProducts Ltd, Goa.

Pursuant to the restructuring efforts, the Company will have no overseas subsidiary or associate but only four domestic subsidiaries as under:

Titan Time Products Ltd, Goa
Tanishq (India) Ltd, Bangalore
Titan Mechatronics Ltd, Hosur
Titan Properties Ltd, Hosur

As per Sec. 212(1) of the Companies Act, 1956, the Company is required to attach to its Accounts the Directors' Report, Balance Sheet and Profit and Loss Account of each of these subsidiaries. As the consolidated accounts present a complete picture of the financial results of the Company and its subsidiaries, the Company had applied to the Central Government seeking exemption from attaching the documents referred to in Sec 212(1). Approval for the same has been granted. Accordingly, the Annual Report of the Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of the Company and its subsidiaries. The Annual Accounts of these subsidiary companies, along with the related information, is available for inspection at the Company's registered office and copies shall be provided on request. The statement pursuant to the approval under Section 212(8) of the Companies Act, 1956, is annexed together with the Annual Accounts of the Company.

Consolidated Financial Statements

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

Outlook for 2008-09

The Company's performance during last year (2007-08) was the best ever. The Company is working towards sustaining this momentum in the current year also. The watch division is pursuing rapid profitable growth through sharp positioning and focus through its major brands. Constant exploration of new consumer segments, introduction of innovative new products which would fuel consumer demand, and the rapid growth of our retail network would certainly drive this growth.

The Jewellery Division continues to set for itself ambitious growth targets, through various initiatives including launching of new collections, scaling up network strength and area, improving the walk-ins, and improving the merchandising at the stores.

The International Business Division of the Company has now been restructured and merged with the domestic Watch Business and domestic Jewellery Business Divisions, which Divisions are taking over charge of oversight of exports also. The Company will continue its efforts to explore entry into new markets besides growing in the existing markets.

The launch of Tanishq Jewellery in the USA as a pilot project is underway and the Company will be setting up two Tanishq stores – one in Chicago and another in New Jersey during the current year.

The Precision Engineering Division of the Company will be targeting a significant top line growth and achieve a break even in terms of profitability.

Titan Industries Limited

The Company's new business vertical, Prescription Eyewear which was launched last year under the brand name Titan Eye+ is planning to scale up the number of retail outlets and currently has 14 stores which is targeted to grow to over 80 stores as per a national roll out plan in the current year.

Corporate Sustainability:

Titan Industries has a clearly defined policy on Corporate Sustainability. The approach of its policy continues to be at three levels, the first one being at the Group level where it works closely with the Tata Council for Community Initiatives, the nodal apex body for facilitating Tata Group initiatives.

At the Company level, key initiatives have been:

- Engaged 330 rural women through self help group and provided them opportunities for various outsourced activities in manufacturing/assembling of Watches, Jewellery and Precision Engineered products.
- Over 600 needy students in the disciplines of Vocational, Medicine & Engineering have benefited from Titan Scholarship program.
- The Jewellery Division started the concept of Karigar Park by providing equipment, material and training to Karigars so that they can work directly under the supervision of the Division and earn money on job-work without any exploitation. At present there are more than 400 Karigars working on six Parks.
- The Company has established a Basic Training Centre to impart technical skills to youth from lower economic background to make them employable. Currently 96 students are studying in the centre.

At the individual level, Titan volunteers comprising the Community Development Forum have taken up comprehensive vision care program in and around Hosur with a leading Super Specialty Eye Hospital in Bangalore. Eye camps are being conducted and an eye care clinic has been opened in Hosur to cater to the needy and poor.

- Other programs include programs for skill development for rural women, infrastructure improvement in villages and creating awareness on hygiene and clean environment.

The Company is proactive in its approach towards the Environment and is compliant with statutory and regulatory requirements. The Watch, Jewellery as well as the Precision Engineering Divisions are certified under ISO 14000:2004 Environment Management System Standards and under ISO 9001:2000, Quality Management Systems Standards.

Titan Industries is a signatory to the 10 principles of the Global Compact with its 'Communications on Progress' (CoP) duly posted on the UN Global Compact website.

Awards and Recognitions:

Titan Industries Ltd was adjudged one of the World's 50 "Domestic Dynamos" by Boston Consulting Group in a survey of the top 50 fastest growing domestic companies countering multi national majors in their respective domestic markets through innovative products and marketing thus continuing to grow at an accelerated pace despite international competition.

The Company also continued to be recognised for its product and retail brands and its innovations as under:

- Won the Top Retailer 2007 Asia Pacific - Bronze Award
- Won Marico Erehwon Innovations for India Award for the slimmest watch - Titan Edge
- Titan the brand won Images Fashion Award for the 'Most Admired Brand for the year 2007-08 for the 7th consecutive year'.
- Titan Industries Ltd won the Images Fashion Award for the 'Retailer of the Year'.
- Titan Brand was ranked first amongst the consumer durables category in a survey by Economic Times.

Corporate Governance

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

Directors

Mr. N N Tata, Mr. T K Balaji and Dr. C G Krishnadas Nair retire by rotation and are eligible for re-appointment.

Mr. Shaktikanta Das, IAS, Secretary to the Government of Tamilnadu, Industries Department and a nominee of Tamilnadu Industrial Development Corporation Ltd (TIDCO) who was appointed as Chairman & Director of the Company on 5th June, 2006 resigned with effect from 5th December, 2007. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution by Mr. Shaktikanta Das during his tenure as a Director of the Company.

Mr. M F Farooqui, IAS, Secretary to the Government of Tamilnadu, Industries Department and a nominee of Tamilnadu Industrial Development Corporation Ltd (TIDCO) was appointed as Chairman and Additional Director of the Company with effect from 5th December, 2007. Member's attention is drawn to item no. 6 of the Notice for his appointment as a Director of the Company.

Mr. Sunil Paliwal, IAS, Executive Director, Tamilnadu Industrial Development Corporation Ltd, and nominee of TIDCO, who was appointed as a Director on 26th February, 2007, resigned with effect from 29th October, 2007. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution by Mr. Sunil Paliwal during his tenure as a Director of the Company.

Mr. Kumar Jayant, IAS, Executive Director, Tamilnadu Industrial Development Corporation Ltd and a nominee of TIDCO, was appointed as an Additional Director, with effect from 29th October, 2007. Member's attention is drawn to item no. 7 of the Notice for his appointment as a Director of the Company.

Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

Acknowledgements

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

Particulars of Employees

Information required to be provided under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report.

Annexures

Required information as per Section 217(1)(e) and 217(2A) of the Companies Act,1956, are annexed.

Auditors

Members will be requested at the Annual General Meeting to appoint auditors for the current year and pass resolutions per item no. 9 of the Notice.

On behalf of the Board of Directors,

M F Farooqui
Chairman

Bangalore, 20th June 2008

Annexure to the Directors' Report

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

Conservation of Energy

The Company has successfully implemented various energy conservation projects with state of art equipment and technology in the areas of Air Conditioning system, Compressed air system and Process cooling system at its watch manufacturing facility. This has resulted in energy savings of Rs. 0.33 crore during 2007-08.

The Jewellery Division has successfully implemented various energy conservation projects in the areas pumping and lighting through energy efficient equipment. This has resulted in energy savings of Rs. 3.0 lakhs during 2007-08.

Green Power

Your Company is planning to consume 30% of its energy consumption at watch manufacturing facility through the renewal energy resources. During 2007-08, 1.0 million units of energy has been sourced from the private wind farms and for 2008-09 targeted generation of energy is 4.0 million units. This will lead to the energy cost reduction to an extent of Rs. 0.13 crore.

Technology Absorption, Adaptation and Innovation

Your Company has successfully built the capability for injection moulding of micro precision plastic module component. During 2007-08, 1.0 million Klotz components has been manufactured at par with quality of imported Swiss components.

The Company has successfully designed the "TINY" watch movement and established the capability for manufacturing the same. During 2007-08, productionisation of these movements has been successful and around 50 K of tiny movements are manufactured from its Hosur Manufacturing facility. This has resulted in cost reduction to the tune of Rs. 1.0 crore.

Special Quartz movement is developed for Braille watch and first batch of watches were launched during last quarter of 2007-08.

Your Company with its focus on continual innovation has successfully launched the unique watches with electro luminescent hands, which more popularly is known as Fastrack "Neon discs" to cater to highly demanding youth market in India.

The Precision Engineering Division of the Company has established "Quality Clinic" - a world class set up for Quality Assurance of Aerospace Parts and the same was certified by key customers. In addition, the Division's quality inspectors have absorbed the international as well as aerospace sector specific requirements to assure quality on behalf of the customers. The Division has also expanded and established necessary technology and systems to manufacture precision parts for the oilfield sector.

The Precision Engineering Division has developed Electronic Quartz Analog Clocks for car dash boards involving LIN (Local Interconnect Network) technology. The clock functions as a stand-alone as well as an interactive instrument with real time GPS signals received by the car. The time displayed gets set automatically across Time zones as well as during day light saving time changes. The group has also developed the necessary interface for end-to-end testing of these clocks through signal simulation.

The automation solutions segment of the Precision Engineering Division has introduced new technologies such as:

- Biometric Identification for operating the system and control panels
- Acoustic chambers for noise testing of less than 30 db level
- Ultrasonic welding on fabrics
- MES (Manufacturing Execution System) soft ware programme to interface equipment and ERP to exchange data such as productivity, quality, utilization and operational efficiency.

Metal Mould

We have established the metal mould injection process to launch the lightweight Jewellery collection. This has given an edge over the other competitors.

RPT (Rapid Proto Typing)

To upgrade ourselves to the current market trend, we adopted the new technology called RPT (Rapid proto typing). This will help us to launch new products within a shorter lead time when compared to our competitors. Apart from this, the other benefits are:

- Reduction of customer order lead time for products which require new masters.
- Elimination of mould making process thereby reduction in consumption of rubber by 300 kg/annum.

Virtual Stone Setting

To eliminate complexity in Jewellery production, in-house manufacturing team developed a new technology called "Virtual stone setting". This eliminates manual stone setting at the time of prototype production leading to shorter lead time for new product manufacture and supports improve productivity in bulk production.

Casting Machine

Recently, the Company has added one more casting machine in the Jewellary Division with impulse heating technology, which will enhance the quality of Castings.

Inductive Coupled Plasma Equipment (ICP)

In Assay lab, the high precision ICP is installed to analyse the presence of impure metals up to the level of 10 ppm. This facility is first of its kind with Jewellery manufacturer in the Industry. The current fire assay method can be used to test/certify only 99.9 purity where as we have established gold Refining process up to 99.99 purity. So this new technology of analytical equipment is used to

- measure / certify the purity of 9999 gold
- measure other metal contents in the effluent after refining process to control the gold loss.

Powder Metallurgy

The Company is exploring the new method of making gold coins through powder metallurgy process and this is the first of its kind in Jewellery industry. This will contribute to inventory and lead time reductions considerably.

Statutory Compliance

In line with the statutory compliance requirements, the Company

- Complying with "Zero" discharge norms as per Water and Pollution Control Act.
- Established a Secured Land Fill facility in its premises for the disposal of hazardous process waste.
- Established a system for the collection and safe disposal of used watch batteries.

EMS – ISO 14001: 2004 Certification

Company's Watch manufacturing facilities at Hosur, Dehradun, Baddi, Roorkee, Jewellery Manufacturing and Precision Engineering facilities are certified for ISO 14001: 2004 version Environment Management Standards.

Watch Division won the Golden Peacock Environment Management Award successively for the third year in a row, for its commitment towards continual improvement and sustenance of Environment Management Practices.

Safety Management

Your Company has built safety as integral part of its business/operation management.

Clear safety systems and procedures are in place as per statutory norms. Safety performance is monitored regularly through safety committees, audits and processes like safety alert card system, continual training etc.

Effectiveness of safety system is also validated through external experts during 2007-08, your Company hired the services of M/s. Cholamandalam MS Risk Services Ltd, Chennai for a competitive safety audit both at the watch manufacturing facility and at Corporate Office. Action plans are drawn for the recommendations of this audit and implementation of the same is under progress to improve the safety performance.

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned Rs. 142.40 crores in foreign exchange and spent Rs. 1,155.02 crores (including Rs. 989.73 crores for procurement of gold and Rs. 14.88 crores on capital imports).

On behalf of the Board of Directors,

M F Farooqui
Chairman

Bangalore, 20th June 2008

Annexure to the Directors' Report

Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules,1975 and forming part of the Directors' Report for the year ended 31st March, 2008

Name	Designation	Age	Gross Rs.	Net Rs.	Qualification	Experience (years)	Last employment held	Commencement of employment
Babu S. S.	Associate Vice President - Manufacturing Services	59	3,338,305	2,224,331	B. E., PGDBM	38	HMT Ltd.	Jun-86
Bhat B.	Managing Director	53	13,072,900	8,186,890	B. Tech., PGDM	30	Tata Press Ltd.	Jan-86
Bhat H.	Chief Operating Officer - Time Products & Exec. Vice President	45	7,140,867	4,296,157	B.E. (Hons), MBA	21	Tata Teleservices Ltd.	Apr-06
Bhat P. S. *	Divisional Manager - Designs	60	1,215,359	886,247	B.E. (Mech.)	35	Bifora Watch Industries Ltd.	Mar-92
Chawla A.	Business Head - Titan & Associate Vice President	41	3,123,197	2,005,039	B.E., PGDM	18	Tata Services Ltd.	Jun-91
Dadlani V. *	Chief Internal Auditor	55	2,389,834	1,276,556	B.Com, ACA, LLB	32	The Bombay Dyeing & Manufacturing Co. Ltd.	May-06
Dwarkanath B. G.	Business Head - Precision Engineering & Sr. Vice President	59	5,179,015	3,235,024	B.E.	37	HMT Ltd.	Oct-85
Ghai K. S.	Head Sales-Titan & Divisional Manager	48	2,701,287	1,749,634	B.Sc., Dip. Mktg Mgt	23	JK Industries Ltd.	Feb-87
Govind Raj V.	Vice President - Retail & Marketing - Tanishq	51	3,601,985	2,275,706	B.Sc., MBA	31	Kinetic Engineering Ltd.	Jan-87
Kailasanathan N.	Chief Information Officer & Vice President	56	4,797,393	2,941,643	B.Sc., PGDSM, MFM, PGDSE	35	ABB Ltd.	Jul-99
Kapadia K. F.	Executive Vice President - Finance	58	7,061,200	4,143,560	B.A., PGDM	33	Tata Press Ltd.	Mar-92
Kaseem M. A. *	Divisional Manager - Engg Services, Safety & Projects	60	2,197,707	1,385,873	B.E.	33	Universal Carburing Works(P) Ltd.	Oct-87
Kulhalli S.	Associate Vice President - International Business Div.	48	3,237,312	2,108,788	B.Sc., MBA	28	Khimline Pumps Ltd.	Jul-88
Meera H.	Head-Strategy & Business Development & Divisional Manager	42	2,888,966	1,928,353	B.Sc., MBA	21	-	Aug-87
Nagaraj B. V.	Divisional Manager - Innovedge	50	2,440,118	1,573,851	B.E. (Mech.)	26	HMT Ltd.	Dec-86
Narayan A.	Head-Retailing & Group Manager	36	2,413,406	1,665,288	B.E., PGDM	12	Tata Services Ltd.	Jul-99
Narayana N. V.	Associate Vice President - Movement Mfg. & Watch Assembly	59	3,123,876	1,598,768	B.E. (Elect.)	31	HMT Ltd.	May-86
Natarajan L. R.	Vice President - Manufacturing - Jewellery	53	3,818,459	2,402,717	D.M.I.T	30	Protech Services	Feb-03
Raghunath H. G.	Vice President - Manufacturing Operations (Watches)	52	3,557,289	2,293,934	B.Sc., B.E.	29	HMT Ltd.	Jun-86
Rajarathnam S.	General Manager - Finance	49	2,847,610	1,797,440	B.Sc., ACA	25	Blaze Enterprise Pvt. Ltd.	Jan-88
Ramadoss S.	Vice President - Human Resources	57	3,774,519	2,364,500	B.A., PGD.PM & IR LL.B	35	Greaves Ltd.	Jun-97
Ramesh C. S.	General Manager - IT	55	2,709,223	1,699,560	M.Sc., M.Phil,MBA	32	Kirloskar Electric Co Ltd.	Dec-98
Ravi Kant S.	Chief Operating Officer - Presc. Eyewear & Vice President	48	4,535,200	2,903,660	B.Sc., MBA	24	HCL Ltd.	Jun-88
Shantharam M. S.	Chief Manufacturing & Technical Officer & Sr. Vice President	59	5,181,785	2,935,333	B.E. (Mech.)	37	HMT Ltd.	Oct-85
Shetty T. *	Divisional Manager - Tool Engineering	60	1,798,122	1,311,142	B.E. (Mech.)	36	HMT Ltd.	Jan-87
Srinivasan C.	Business Head - Sonata & Vice President	52	3,892,778	2,439,468	B.Sc., PGDM	30	Berger Paints India Ltd.	Dec-87
Talati R.	Business Head - Fastrack & New Brands & Associate Vice President	48	3,203,084	2,014,863	B.Com., LL.B	30	Tata Press Ltd.	Apr-86
Venkataraman C. K.	Chief Operating Officer - Jewellery & Exec. Vice President	47	6,140,928	3,834,077	B.Sc., PGDM	24	Mudra Communications Ltd.	May-90

NOTES

1. The gross remuneration shown above is subject to tax and comprises salary, allowances, monetary value of perquisites as per income tax rules and Company's contribution to provident and superannuation funds.
2. Net remuneration is arrived at by deducting from the gross remuneration, income tax, Company's contribution to provident and superannuation funds, and the monetary value of non-cash perquisites wherever applicable.
3. All employees have adequate experience to discharge their responsibilities.
4. The nature of employment in all cases is contractual.
5. None of the above employees is related to any Director of the Company.
6. * Indicates employed for part of the year.

On behalf of the Board of Directors,

M F Farooqui
Chairman

Bangalore, 20th June 2008

Management Discussion and Analysis

An Overview of the Economy

The Economic survey puts the growth rate as 8.7% this year as compared to 9.6% in the year 2006-07. The decline is attributed to a general slowdown in most of the sectors except electricity, communications, trade, hotels and transport. It is of some concern that the already sluggish growth in agriculture was accentuated due to a decline in the growth rate of the Rabi crop. Further, the deceleration in the growth of public and private consumption, including consumer durables and construction, contributed to the slowing down of the manufacturing sector.

The fundamentals of the Indian economy, however, remain intact and with the GDP growth exceeding 8% year on year since 2003-04, it does inspire some confidence. In terms of sectoral contribution, transport and communication grew the fastest, followed by financial services and construction.

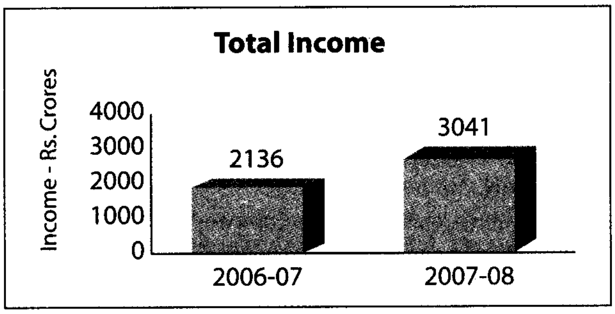
Economic growth should cause a consequential improvement in public welfare. The growth rate of per capita income in 2007-08 is at 7.2% which matches the average growth of the past 5 years. Aligned to this has been the growth in per-capita consumption at 5.5%, which is marginally higher than the previous 5 yearly average. There is, however, a concern on inflation which was projected to decline at 4.1%, but has actually significantly increased in the recent months so as to warrant the government's serious attention. On the balance of payments front, there is a considerable uncertainty arising out of the US sub-prime mortgage crisis though there has been a 150% increase in net foreign direct investment.

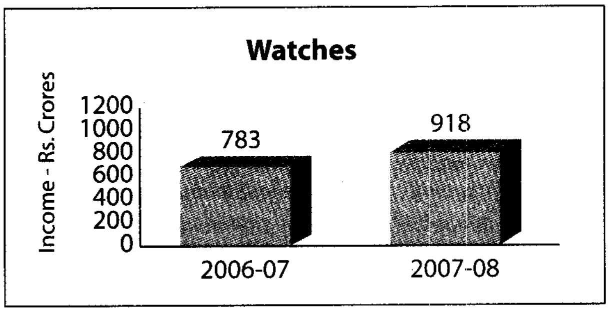
The Indian capital market also attained greater depth and width during 2007 and the BSE Sensex scaled a peak of 20,000 at the close of the year and the market capitalisation also doubled. Correction in the capital markets since has reflected a more realistic situation but, in the overall context, the situation appears healthy.

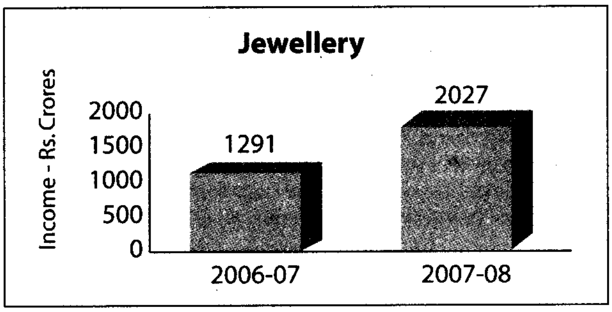
The generally upbeat scenario has impacted the consumer market significantly. India has emerged as the second largest market for Nokia, ahead of the United States and just behind China. The total number of telephone subscribers in India has crossed 250 million and wireless subscription is the highest in the world.

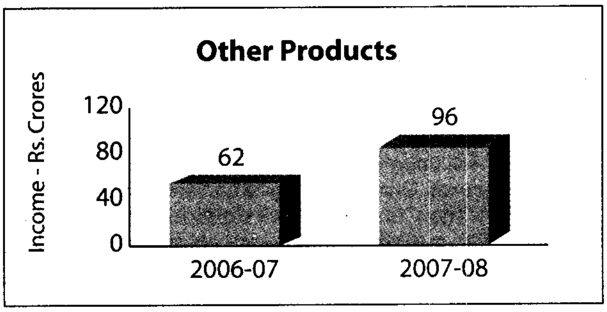
Business Overview

The Company continued its journey on a significant growth path and the total turnover crossed the Rs. 3,000 crore mark, with sales income at Rs. 3,041 crore, growing by 42.3% (almost the same rate as the previous year). Profit after taxes stood at Rs. 158.29 crores as compared to Rs. 94.33 crores in the previous year.



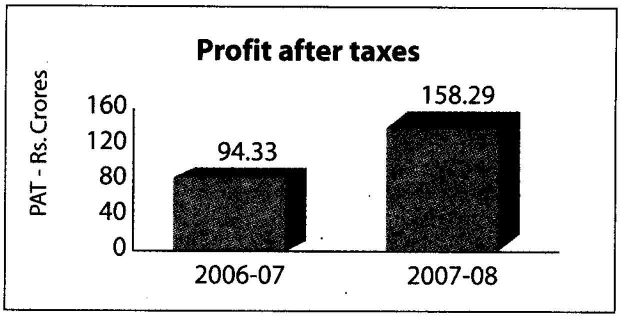






TITAN INDUSTRIES

Titan Industries Limited



TIME PRODUCTS

"Watches are amongst the finest symbols of self-expression known to man."

Global Trends in the Watches Industry

2007 was a good year for the premium and luxury end of the global watches industry, fuelled by an increasing global hunger for lifestyle products in the large emerging markets of Asia, and stable demand in Europe. Russia, China and India recorded sharp spikes in demand for premium and luxury watches. This resulted in an excellent year for the Swiss watch industry, which grew by 16.2%, its highest growth rate for eighteen years.

Swatch group, the global leader in the watches industry, recorded a sales growth of 18%, reaching a sales turnover of CHF 5.94 billion. Swatch is an excellent illustration of the great power resident in a strong portfolio of brands.

In contrast, Japanese brands reported relatively flat sales.

Demand for watches in the United States of America, which remains the world's largest market for the category, grew in single digits due to recessionary pressures in the U.S. economy.

Two global trends bear mention here. First, future growth appears to lie firmly in Asia. The large emerging markets of Asia are driving demand at the premium and luxury end, accounting last year for a remarkable 44% of all Swiss watch exports. In addition, Asia – particularly China and Hong Kong – has also emerged world leader in production and exports of watches for the mid-market and the economy end.

Further, we are witnessing a resurgence of mechanical and automatic watches in the premium segment. This trend will soon make its presence felt in India as well.

The Indian Watches Market

The Indian watches market is estimated at 42 million watches in the fiscal year 2007-08. This represents value growth of 12% over the previous year. In relative terms, growth at the premium end of the market has exceeded growth in the mass market. Overall, double-digit growth of the Indian watches market portends well for the Company's future.

Such growth has been driven by marketing initiatives undertaken by several brands, including your Company which remains the clear market leader. It is estimated that over 55 global brands of watches are currently marketed in India, which has become a focal market for all watch and fashion majors. In our view, the combined marketing investments of all these brands will continue to strongly drive consumer demand for watches in our country, particularly at the premium end.

Potential for growth in India is therefore immense particularly at the economy end of the market. A key challenge remains the large, faceless and relatively lawless unorganised sector, which accounts for nearly 60% of the total market, with no accountability to either the government or the consumer.

Despite increased global competition, the Company has successfully defended and increased market share in the Indian market. During 2007, the Company's already significant market share grew by a further 4%, driven by a slew of aggressive marketing and sales initiatives.

This was made possible by a strong portfolio of brands – Titan which is our flagship brand, Titan Raga for women, Fastrack for youth, Sonata for the economy market and Xylys, our Swiss-made offering at the premium end of the market. We continued to invest strongly in all these brands. Our expanding nationwide reach – stretching across 12,000 multi-brand outlets, 200 large format stores, and over 240 "World of Titan" exclusive retail stores – added to our dominance. Our vision of being world-class, innovative, contemporary and building India's most desirable brands continues to power our growth.

Based on this strong and impregnable foundation, the domestic watches business of the Company grew by a robust 17% during 2007- 08. The Time Products Division of the Company delivered ROCE of over 40% on capital employed of Rs. 331 crores.

Milestones and Accolades

The Company has now crossed a cumulative production of 100 million watches since inception two decades ago. This is a remarkable and rare milestone for any consumer goods company in India.

Our flagship brand Titan achieved excellent performance during 2007-08, with a 27% growth in retail sales. Multiple watch ownership in urban India remains a key strategic driver for this brand.

Sonata, our offering for the economy market, is also the largest watch brand in India, in terms of volume sales.

Our youth brand, Fastrack, had a historic year, recording for the third year in succession, a phenomenal annual growth of over 50%. Fastrack is poised to become a cult brand for youth in the country.

To achieve such cult status amongst youth, Fastrack is present not only in watches, but is rapidly expanding to other youth categories such as sunglasses. Fastrack by far is the leading brand of sunglasses in India.

Our Swiss-made brand, Xylys, celebrated the second year of its existence with a significant growth of 103%.

The Company has been constantly exploring ways and means of growing the watch business by introducing international brands by way of licensing and distribution of premium fashion brands, alongside its own brands of watches. Last year, our first licensed brand, Tommy Hilfiger, registered rapid growth of 35%, making it one of the highest selling watch brands in fashion space.

Towards the latter half of the year, the Company also signed on distribution rights for a second fashion brand, Hugo Boss. The brand has been launched in key markets, and has already caught the attention and interest of buyers in this segment.

The addition of a few more select global fashion brands to our portfolio will enable us to straddle the watches market in the country at various price points and consumer segments.

The Titan Design Studio, which focuses on design of watches, clocks, eyewear, trophies and a range of other products, is today one of India's finest centres of design excellence.

The Design Studio's creative excellence and zeal are evident in new product collections of watches launched last year, such as Titan Aviator, Heritage, Raga Crystals, Fastrack Neondisc, Sonata Yuva – all of which have met with critical and consumer acclaim.

Working closely with the Design Studio is a small team called Innovedge, which targets breakthrough technology innovation in watches. During 2007-08, Innovedge successfully commercialised the technology of using electro-luminescent sheets in watches, launched as the Fastrack Neondisc collection, the world's first watches with no hands.

Retailing and Customer Service

Organised retailing continues to gain momentum across India. During the year, the "World of Titan" network witnessed its fastest ever growth in the recent past.

The Company continued to forge strong partnerships with modern, large format stores such as Shoppers' Stop, Pantaloons, Central, Lifestyle, Westside, Reliance Retail, retail stores of the Aditya Birla group, and many other emerging hypermarkets and discount stores.

Our customer service network remains a key element of our offerings to millions of our consumers across the length and breadth of the country. During 2007-'08, we further strengthened the network, with the addition of 62 new service centres, taking the total count to 726.

Manufacturing

To support sales growth, the Company successfully established a new watch assembly unit at Roorkee last year. This new assembly unit has a capacity of over 2 million watches, taking our total installed capacity to over 12 million watches.

The year also witnessed the first full year of our new sourcing office at Hong Kong. We are happy to report that the office delivered exceedingly good results, including on-time new product development, spotting and delivering new product trends such as the Titan Octane collection.

Outlook and key challenges

In summary, we are happy to report that 2007-'08 marked one of the most successful years in the history of the Company's watches business in India. The key challenge and opportunity ahead is to stimulate consumer demand and sustain strong growth, strengthen our brands and network to ensure continued dominance in an increasingly competitive market, and provide millions of our consumers fine watches which they are proud to own and delighted to wear.

JEWELLERY

The retail turnover of the Company's jewellery sales crossed Rs. 2,000 crore and profits were at Rs.109 crores for the year 2007-08.

Tanishq

The price of gold was lower in the first 6 months of 2007-08 fiscal. Consequently, consumer demand was on the upswing. The Tanishq brand itself grew a very healthy 60% in gold jewellery tonnage, much higher than the industry rate.

However, the price of gold started climbing in the 2nd half and crossed the USD 1,000 mark. What was significant was that there was a high degree of volatility in the price, leading to poor consumer sentiment. So much so that the industry estimates for the fourth quarter (January to March 2008) are at least a 25% drop in tonnage. Tanishq, however, helped by a relatively more affluent customer segment, the purity assurance and an expanding network, still managed to grow by a decent 25% rate in the fourth quarter.

What was even more encouraging was the performance of diamond jewellery, which grew by a significant 40% in value over 2006-07.

Competition for Tanishq

Several branded jewellery competitors have emerged in the past year. Notable amongst these are Reliance Jewels – currently only with 2 stores but may increase the number to 15-20 by year end; and Rajesh Exports. Reliance, in particular, has a strategy of aggressive pricing while entering the market – however, after the initial dip, we have held on to our sales levels in such markets.

Additionally, there is wave of BIS Hallmarked jewellery flooding the market – as community jewellers and traditional jewellers seek to build the 'purity' and 'trust' platform like Tanishq. However, walk-ins in Tanishq stores have grown by over 20% and a customer loyalty program 'Anuttara' launched in July, 2007 has grown significantly. Customers come to Tanishq – not just due to 'trust' but also to seek outstanding designs.

Retail Network

The network expansion for Tanishq went on at a brisk pace, and we crossed the magical 100 mark. What is also significant is the addition of large stores in metro cities, which has not only strengthened the brand in these cities, but also helped sell high value jewellery.

EYEWEAR

This was the pilot year for entry into a third product category and business vertical of the Company – Eyewear. The eyewear initiative commenced operations late last year under the name "Titan Eye+". Eleven showrooms across 5 cities (Bangalore, Chennai, Nagpur, Hyderabad and Mumbai) were opened. These provided an opportunity for the Company to understand the customer and the market. The response has been extremely positive on the product range as well as the store experience, thus reinforcing the belief that the Company can be a leading player in the eyewear business in coming years.

State of the market

The eyewear industry is largely unorganised with a few national/ regional optical chains. This business is, however, attracting the attention of large international and national players and, hence, is likely to become highly competitive while growing at a healthy rate of over 15%.

With the growth in organised retail and exposure to international trends, consumer preferences, shopping patterns and service expectations are undergoing a sea change. Consumers are beginning to see eyewear as a fashion accessory, a means to expressing themselves, in addition to eye correction (prescription eyewear) and eye protection (sunglasses).

TITAN EYE+

Titan Eye+ is well positioned to address the eyewear needs of the entire family. It has a choice of in-house and international brands, a wide range of stylish and contemporary products (frames and sunglasses), branded lenses, contact lenses and eyewear accessories. The Company has invested in world-class stores that offer a unique consumer friendly display system and state-of-the-art equipment to ensure error-free eye testing. The Company has also entered into a technical arrangement with the highly renowned Sankara Nethralaya for training retail and clinic staff.

After a successful pilot, the Eyewear Division plans to expand rapidly and build a sizeable national chain over the next 3 years time.

Some of the key challenges that the eyewear business would face is the ever increasing rentals, the scarcity of high class hi-street properties, retaining critical store staff with technical skills, maintaining a high and consistent customer service level and managing the design differentiation in products.

PRECISION ENGINEERING

The only B2B enterprise of the Company, the Precision Engineering Division (PED), continued to witness growth this year, serving global automotive, aerospace, healthcare, telecom and engineering industries with precision engineered components and sub-assemblies as well as by providing end-to-end technology solutions for automation and special purpose stand-alone machines.

PED sustained its momentum on the growth path with a revenue of Rs. 56 crores, having a growth of 46%.

The aerospace unit, during the year, focused on product mix rationalisation to improve the value addition and also set a program to move up the value chain from making mere components to critical sub-assembly parts. The Division has become a member of choice for the Tata Consortium formed to provide integrated solutions for international customers as well as Defence and offset program.

The Division has sustained stringent quality management system requirements – AS 9100 B for the Aerospace segment with a score of 98%, one of the highest in the industry circle. Other Quality Management Systems like TS 16949, ISO 9001 and ISO 14001 have been effectively sustained. "Quality Clinic" a world-class set up for Quality Assurance for aerospace parts was also certified by one of the key aerospace customers.

The automation solutions group has become a preferred Automation Solution provider for many multi-national customers. This Group has secured export orders from USA and Denmark. Biometric Identification, Noise testing with Acoustic chamber, Ultra-sonic welding on fabric, MES (Manufacturing Execution System) are some of the new technologies that were acquired to provide innovative solutions.

New Products and Category Management

5,000 new products were introduced in the year – more importantly, there was a resurgence in the Kundan/Polki category wherein there was a growth of over 40% compared to about 7-8% in the previous year. This was largely due to the brand's involvement in the film Jodha Akbar for which 427 pieces were designed.

The involvement generated enormous PR and the pret collection launched as part of this initiative has already seen sales of about Rs. 23 crores.

Goldplus Jewellery

Goldplus – addressing mass-market segment of jewellery – was started during September, 2005 with two pilot stores. Based on the encouraging result, the brand expanded to ten stores mainly in Tamil Nadu in the year 2006-07. In the last financial year, the brand grew beyond Tamil Nadu, by entering into 3 new States and opening 11 new stores.

The Brand consolidated its position in the market through innovative reach to the customer, educating the customer on purity and quality, retail experience to the customer and relevant new design launches.

Goldplus ended the year with a Rs. 204 crores sales revenue, compared with a sales revenue of Rs. 60 crores in the previous year. In the year 2008-09, Goldplus plans to consolidate in the States of AP and Maharashtra, while at the same time, setting its foot print in Karnataka.

Goldplus with a larger objective of transforming the Jewellery market in the Semi urban and Rural India has started its journey in a confident note.

Integrated Supply Chain Management-Jewellery

The Integrated Supply Chain Management, in its constant endeavour to satisfy its customers, has been focusing on improving productivity, reducing cost, reduction logistics lead time and improving quality.

Towards achieving the above, many new initiatives have been taken up. "Three day Miracle", a Project to reduce manufacturing lead-time from 3 weeks to 3 days, has been successfully piloted. The earlier initiative of Karigar Park, keeping the future demand from retail, is being enhanced to provide employment to more skilled craftsmen while ensuring a captive source of low cost jewellery.

State-of-the-art new equipments like rapid prototyping machine and integrated coupled plasma equipments have been added to the manufacturing facilities, to cope up with the changing needs of customers.

Putting the Customer First

In 2007-08, we sowed the seeds for building a differentiated and sustainable long-term competitive position in the market place through a Customer Engagement Program, internally called ***Customer First***. Believing, that in the ever-increasing competitive world, one of the significant barriers to competitors would be the strength of our relationship with our customers.

The Program endeavours not only to create demand or desire or satisfaction or ecstasy, but to create a powerful, long lasting relationship with our customers. By standardising processes, by building capability, by empowering frontline staff , and above all, by keeping our staff motivated to constantly deliver customer delight, this Program hopes to light a fire in everyone's heart that burns forever for the customers' benefit. It is an attempt to create a truly world-class benchmark in the area of Customer Affection. The Program got piloted in the Jewellery Division across 3 cities and is getting integrated into the Division for a national roll out in 2008-09.

The Jewellery Division of the Company had a capital employed of Rs. 184 crores and a handsome ROCE of over 50%.

INTERNATIONAL BUSINESS

The International Business Division had a challenging year, with the rupee appreciating against the dollar, as well as gold rate volatility, impacting volumes of Watches and Jewellery in the International Markets. These challenges were adequately managed by a number of initiatives, including price increases, launch of studded jewellery, using retailing as a strategy for profitable growth in watches and better control of costs.

1. New Countries launched (Pakistan, Thailand (re-launch).
2. Studded jewellery launched in Dubai and Singapore.
3. Retail strategy launched by initiating, the opening the 1st Exclusive store in Malaysia.
4. Better control on costs, to manage our committed bottom-line.
5. Revival strategy in key markets of SAARC, viz. Sri Lanka and
6. Bangladesh, in place for next year.

TANISHQ soon in the United States

The Tanishq US Project is well on its way, with all activities initiated and ready for launching one of its 2 pilot stores in the US, Chicago scheduled in July of 2008.

The response to products and plans from US partners and associates is very encouraging. Our Design agency, PR agency, Event Management agency, and the media agency, are as confident of the success of this project.

After carefully evaluating the opportunity for Tanishq in the world's largest market for jewellery, the USA, the Company has decided to start a pilot project by opening two Tanishq stores one each in Chicago and New Jersey.

Titan Industries Limited

Human Resources

The Company considers its human resources as assets and is proud to have highly engaged, committed and loyal employees, which we believe, differentiates us the way we conduct business. As a part of its endeavour to foster an enabling culture, the Company laid emphasis on Talent Acquisition, Career and Skill Development of employees, a highly successful Talent Management Program, all of which focused on building a leadership pipeline for fuelling the Company's growth.

Focus on Human Resources is evident in the way the Company's employee friendly policies are firmly in place; which include a mobility policy, enabling the individual to fulfil his / her career aspirations within the Company and also an Education Policy supporting further education through the Executive MBA association with an institute of repute.

The Company continues to benchmark its key HR Processes – Compensation, Productivity, Performance Management Systems, and Employee Friendly Policies etc. with the best-in-class and is aligned to business needs.

Fundamentally, the Company's structure is now equipped to provide the necessary support and resources for Organisation scale up organic, inorganic or new business categories.

During the year 2007-08, 636 new employees have joined the Company, of which, a significant addition was towards the newly found Eyewear Division. Attrition during the year continued to be in single digits, lower than the industry average. Considering the rapid growth of retail sector in the country, a comprehensive Organisation Structure and Retention Strategy has been implemented. As of 31st March, 2008, the Company had 3,886 employees on its rolls of which 2,669 were in the factories, 393 in the Corporate Office and 824 in the regional offices.

Industrial Relations across all manufacturing units continue to be very cordial and favourable. Employee participation in various engagements such as business plan communication, small group activities, safety forums have significantly increased last year.

Business Excellence

The Knowledge and Business Excellence team coordinated the TBEM assessment process for the year 2007-08. The assessment score for the Time Products Division of 623 as compared to 605 in the previous year reaffirms our continued focus in institutionalising business excellence within the organisation.

Knowledge Management

The Company has enhanced its focus on knowledge management. During the year, ten knowledge management portals that enable capturing and sharing of knowledge pertaining to products, processes, people, performance, policies and strategies have been deployed in areas of Sales, Marketing and Manufacturing in the Time Products Division. Work is in progress to deploy similar portals to other divisions as well. These initiatives would help us enhance integration of business processes as well as leverage the knowledge available across business units.

Corporate Communications

Communication with employees and customer facing business associates is an important aspect of building moral and motivation in the Company. Many communication initiatives, some of them two way are undertaken frequently. The Corporate Communications function has established a process to video film the senior management team every quarter, capturing their views on the happenings of the quarter. This Quarterly Communication is cascaded to all employees, key vendors and business associates through presentations by Senior Management.

How the Company fared

The Company achieved a growth of 42% in sales turnover and profit before taxes went up by 54% over the previous year. Net profit after taxes grew by 60% over the previous year.

Some of the key financial indicators of the Company are as under :

	2007-08	**2006-07**	**2005-06**
Sales to Net fixed assets (No. of times)	**10.77**	8.00	7.56
Sales to Debtors (No. of times)	**31.53**	23.21	16.44
Sales to Inventory (No. of times)	**2.98**	3.15	3.96
Retained Earnings – Rupees in crores	**108.72**	67.72	55.33
% of Net Profit for the year	**72.4%**	71.9%	75.2%
Operating Return on Capital Employed *	**34.8%**	30.7%	24.0%
Return on Capital Employed (EBIT)	**34.8%**	25.8%	19.5%
Return on Net Worth	**39.4%**	36.0%	42.8%

* excluding extraordinary items

Some Risks and Concerns

The Company is actively engaged both at the operational level and at the strategic level in assessing the risks of each of the businesses under the oversight of the Board.

Few of the risks across the three businesses i.e. Watches, Jewellery and Eye-wear are as follows:

Retention of front-end retail staff

High commercial rentals increase the costs of running the business across the three product categories

High commodity prices resulting in cost push effect on Raw material cost

Talent acquisition and retention

Risks specific to each business are, as follows:

Watch Business:

The grey market continues to be a threat to our mass-market brand Sonata and the high indirect tax component on branded watches in the mass-market segment only results in favoring the grey market players.

Competition from International brands is becoming intense in the domestic markets and the Company has taken the route of Licensing internationally reputed brands and opening multi brand store in the premium segment to counter the same.

The risk of the product category losing its functional value and hence positioning the same as a Fashion accessory has become imperative. The Company continues to spend on brand building and leading the category and growing the watch market to this end.

The high cost of manufacturing at Hosur works primarily due to high wages in that area continues to be a concern and the Company is resorting to selective manufacturing so as to maximise value in manufacturing in terms of criticality, control and value addition.

Jewellery

The demand for gold may be stagnant if gold prices rule high and continue to be volatile. The business segments operating results could be affected due to gold price volatility and mark to market Forex impact and concomitant volatility of quarter on quarter reporting results.

The business outsources a substantial part of the production to vendors and there is a residual risk in respect of gold given to such parties on insufficient collaterals. This is being dealt with by the Company by a combination of risk mitigating factors such as insurance, getting additional collaterals from vendors etc.

The competition is getting more local and regional with large players and organised retailers getting into the business.

Gold plus, the mass-market Jewellery business being mostly in large retail format entails keeping of high inventory base. The margins of the business have be maintained despite the high working capital of the business.

Precision Engineering Business:

This business being a B to B business typically may get affected by global slowdown especially in the USA as most of the Automotive and Aerospace customers are based in the USA. The long-term risk of Rupee appreciation vis-a-vis the USD is an economic risk which the business has to reckon with either by improving on costs or by negotiating better prices for the long-term contracts when they come up for renewal.

The severe competition and hence the possibility of prices being negotiated downwards in the Automotive segment is a risk. The capital intensity of the business is a factor to reckon with as any capacity expansion will call for additional capital.

Eye-wear:

Eye-wear is in the Speciality retail space and hence the availability/ ramping up and retention of skilled/expert manpower viz. Optometrists is a challenge. The sourcing model has no element of manufacturing which may lead to lesser control over increase in material costs i.e. frames and lenses.

Internal Controls

The Company has endeavoured to continuously improve the internal controls both relating to Financial Reporting and Operations. In addition to the already existing ERP systems implemented in Watches and Jewellery divisions, several functionalities such as the management of Golden Harvest scheme for the Jewellery division have been significantly automated to enhance controls. The Point of Sales system is also being revamped in the watch division to have maximum built in controls. The commercial controls in operations in the Jewellery division was given special focus in this financial year. The incentive commission for Franchisees has due weightage to commercial compliance so as to aim at higher levels of adherence to the controls and processes set by the Company. The Company has also developed a periodic self-assessment process for its retail store operation based on the recommendations from the internal auditors to enhance internal controls. The internal audit program focuses primarily on systems and operational audit aiming at monitoring compliance with defined procedures and continuous upgrade of controls to meet the evolving business requirements.

The internal audit reports also track repeated transgressions in the control system so as to highlight the adherence or otherwise to key processes and measures are taken to pre-empt the occurrence across locations.

Cautionary Statement

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

Corporate Governance

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

A. MANDATORY REQUIREMENTS

CORPORATE GOVERNANCE PHILOSOPHY

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

BOARD OF DIRECTORS

Titan Industries Limited was promoted by the Tamilnadu Industrial Development Corporation Limited (TIDCO) and the Tata Group. As on March 31, 2008, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director.

The composition and category of Directors as of March 31, 2008 is as follows:

Category	Name of the Director	No. of Directors
Nominee Directors of TIDCO (Promoters, Non-Executive, Non-Independent)	Mr. M F Farooqui[1] Mr. S Ramasundaram Mr. Kumar Jayant[2] Mr. S Susai	4
Nominee Directors of Tata Group (Promoters, Non-Executive, Non-Independent)	Mr. Ishaat Hussain Mr. F. K. Kavarana Mr. N. N. Tata	3
(Promoter, Executive, Non-Independent)	Mr. Bhaskar Bhat	1
Other Directors (Non-Executive, Independent)	Mr. T. K. Balaji Dr. C. G. Krishnadas Nair Mr. Nihal Kaviratne Ms. Vinita Bali	4
Total		**12**

[1] Mr. M.F. Farooqui, nominee of TIDCO, was appointed as Chairman of the Company with effect from 05.12.2007 in place of Mr. Shaktikanta Das who resigned on 05.12.2007.

[2] Mr. Kumar Jayant, nominee of TIDCO, was appointed as Non-Executive Director of the Company on 29.10.2007 in place of Mr. Sunil Paliwal who resigned on 29.10.2007.

During the year, the Company had a Non-Executive Chairman and one-third of the Directors were independent. The Company has not had any pecuniary relationship / transaction with any of the Non-Executive Directors during the year under review.

The Board of Directors met six times during the Financial Year 2007-08. Board Meetings were held on April 21, July 3, July 27 and October 29 in 2007 and on January 21 and March 28 in 2008.

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

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at March 31, 2008 are as indicated below:

Name of Director	No. of Board meetings attended out of 6 meetings of the Board of Directors	Whether attended last Annual General Meeting	No. of Directorships in domestic public companies (including this Company)		No. of Committee memberships in domestic public companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
Mr. Shaktikanta Das1	3	Yes	-	-	-	-
Mr. M F Farooqui[2]	1	NA	3	5	-	-
Mr. S Ramasundaram	5	No	5	10	1	4
Mr. Kumar Jayant[3]	3	NA	2	12	-	3
Mr. Bhaskar Bhat	6	Yes	1	6	-	1
Mr. N N Tata	2	Yes	-	7	1	-
Mr. F K Kavarana	2	Yes	6	5	6	2
Mr. Ishaat Hussain	5	Yes	2	12	4	6
Mr. T K Balaji	6	Yes	1	10	1	5
Dr. C G Krishnadas Nair	6	Yes	1	5	1	2
Mr. S Susai	6	No	-	12	1	7
Mr. Nihal Kaviratne	6	Yes	-	4	1	4
Ms. Vinita Bali	6	Yes	-	4	-	2
Mr. Sunil Paliwal	-	No	-	-	-	-

[NA - Not Applicable]

1 Mr. Shaktikanta Das, nominee of TIDCO, resigned from the Board on 05.12.2007.

2 Mr. M F Farooqui, nominee of TIDCO was appointed as Chairman and Director of the Company with effect from 05.12.2007.

3 Mr. Kumar Jayant, nominee of TIDCO was appointed as Director of the Company with effect from 29.10.2007.

Mr. Sunil Paliwal, nominee of TIDCO resigned as Director on 29.10.2007

CODE OF CONDUCT

Whilst the 'Tata Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the financial year ended March 31, 2008. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

AUDIT COMMITTEE

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

Powers of the Audit Committee

a) to investigate any activity within its terms of reference;
b) to seek information from any employee;
c) to obtain outside legal or other professional advice; and
d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

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

a) Oversight of the Company's financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.
b) Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.

c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
   - any changes in accounting policies and practices;
   - major accounting entries based on exercise of judgment by management;
   - qualifications in draft audit report;
   - significant adjustments arising out of audit;
   - compliances with listing agreement and other legal requirements concerning financial statements;
   - any related party transactions.

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

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

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

g) Discussion with internal auditors any significant findings and follow up thereon.

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

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

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

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

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

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

n) Reviewing the functioning of the Whistle Blower mechanism.

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

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

Mr. Nihal Kaviratne, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

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

The Audit Committee met six times during the Financial Year 2007-08 on April 21, July 3, July 27 and October 16 in 2007 and on January 21 and March 28 in 2008. The quorum as required under Clause 49 (II)(B) was maintained at all the Meetings.

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

Name of Director & Category	No. of Meetings attended out of six meetings
Mr. Nihal Kaviratne (Chairman) (Non Executive) (Independent)	6
Mr. Ishaat Hussain (Non Executive) (Non Independent)	5
Mr. T K Balaji (Non Executive) (Independent)	4
Dr. C G Krishnadas Nair (Non Executive) (Independent)	6
Mr. S Susai (Non Executive) (Non Independent)	5
Ms. Vinita Bali (Non Executive) (Independent)	5

The Managing Director, the Executive Vice President - Finance, the Chief Operating Officers of the Watches, Jewellery, Prescription Eyewear and International Business Divisions and the Chief Internal Auditor were present at Meetings of the Audit Committee. Representatives of the Statutory Auditors and the Internal Auditors are invited to the Meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee.

OTHER SUB-COMMITTEES OF THE BOARD OF DIRECTORS

a. Remuneration Committee

The broad terms of reference of the Remuneration Committee are to recommend to the Board the appointment /reappointment of Managing Director and/or Whole-time Directors, the remuneration including Commission payable to the Managing Director, revision in salary to be paid from the succeeding financial year, based on evaluation of performance for the year under consideration. The performance evaluation is based on financial performance, market performance etc., of the Company. The Remuneration Committee also recommends the remuneration payable to Non-Executive Directors based on defined assessment criteria primarily attendance and few other factors based on contribution at meetings.

The following Directors are the members of the Remuneration Committee:

Mr. T K Balaji (Chairman) (Non Executive) (Independent)
Mr. Ishaat Hussain (Non Executive) (Non Independent)
Mr. S Ramasundaram (Non Executive) (Non Independent)

During the Financial Year 2007-08, Meeting of the Remuneration Committee was held on April 21, 2007.

b. Shareholders' Grievance Committee

The Shareholders' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non-receipt of dividends declared by the Company, etc.

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

Mr. F K Kavarana (Chairman) (Non Executive) (Non Independent)
Mr. Bhaskar Bhat (Executive) (Non Independent)
Dr. C G Krishnadas Nair (Non Executive) (Independent)
Mr. S Susai (Non Executive) (Non Independent)

During the Financial Year 2007-08, a meeting of the Shareholders' Grievance Committee was held on March 29, 2008. All the members except Mr. F. K. Kavarana were present at the Meeting and Dr. C. G. Krishnadas Nair was elected as Chairman for the said Meeting.

The Compliance Officer is the Company Secretary, Mrs. Usha Iyengar.

c. Committee of Directors

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

The composition of the Committee of Directors is as follows:

Mr. S Ramasundaram (Non Executive) (Non Independent)
Mr. Ishaat Hussain (Non Executive) (Non Independent)
Mr. S Susai (Non Executive) (Non Independent)
Mr. Bhaskar Bhat (Executive) (Non Independent)

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

d. Ethics and Compliance Committee

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

The composition of the Committee is as follows:

Mr. F K Kavarana (Chairman) (Non Executive) (Non Independent)
Mr. Bhaskar Bhat (Executive) (Non Independent)
Dr. C G Krishnadas Nair (Non Executive) (Independent)
Mr. S Susai (Non Executive) (Non Independent)

During the year 2007-08, this Committee held a Meeting on March 29, 2008. All the Members except Mr. F K Kavarana were present at the Meeting and Dr. C. G. Krishnadas Nair was elected as Chairman for the said Meeting.

Mr. N Kailasanathan is the Chief Ethics Counsellor of the Company. The Compliance Officer designated for compliance with SEBI / Guidelines for Insider Trading, is Mr. K F Kapadia, Executive Vice President - Finance.

e. Nomination Committee

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

The composition of the Committee is as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)
Mr. T K Balaji (Non Executive) (Independent)
Mr. N N Tata (Non Executive) (Non Independent)
Mr. Shaktikanta Das[1] (Non Executive) (Non Independent)
Mr. M F Farooqui[2] (Non Executive) (Non Independent)

[1]Resigned on 05.12.2007

[2]Member from 25.04.2008

SUBSIDIARY COMPANIES

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

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

DISCLOSURES

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

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

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

Business/Strategic Risk: The Board oversees the Risks which are inherent in the businesses pursued by the Company. The intervention is through business plans, projects and approvals for business strategies and policies.

Operational Risks: These are being mitigated by internal policies, procedures and manuals.

Financial Risks: These risks are addressed on an ongoing basis by Treasury, Insurance and Commodity Risk Management team.

In addition, the annual Internal Audit program factors in re-assessment of the external environment in terms of competition, market maturity and market practices and internal re-organisation undertaken by the management since the last audit program so as to keep the scope of Internal Audit relevant as well as to afford adequate assurance levels for operational and financial risks and internal controls.

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

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

The Company has engaged the services of a reputed consultant for ensuring due rigour in the monitoring and management of the risks in terms of tracking the progress of initiatives as planned and measuring the effectiveness of the same to the extent possible.

The Risk register also gets updated on a bi- annual basis to ensure that the risks remain relevant at any point in time.

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

(e) **CEO / CFO Certification:** The Managing Director (CEO) and Executive Vice President - Finance (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31, 2008, which is annexed hereto.

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

(g) **Whistle Blower Policy:** The Company has a whistle blower mechanism wherein the employees can approach the management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosure reported are addressed in the manner and within the time frames prescribed in the policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concerns. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website. At a recent Meeting of the Company's Ethics Counsellors, it was noted that no complaints on this account had been received and it was agreed to further enhance the awareness of the policy.

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

(i) Proceeds from Rights Issue: The Company had allotted on rights basis in May 2006, 2,113,038 equity shares of Rs. 10 each at a premium of Rs. 340 per equity share aggregating to Rs. 7,395.63 lakhs and 2,113,038 6.75% Non-convertible debentures of Rs. 250 each aggregating to Rs. 5,282.60 lakhs. The uses/application of funds by major category are disclosed to the Audit Committee on quarterly basis. The statement of utilization of funds up to March 31, 2008 raised by the said issue has been certified by the statutory auditors of the Company. The Company has not utilized funds for purposes other than those stated in the Letter of Offer.

REMUNERATION OF DIRECTORS

MANAGING DIRECTOR

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

Details of the remuneration to the Whole-time Director during 2007-08 are as under:

(in Rs.)

Name	Salary	Perquisites & Allowances	Commission*
Mr. Bhaskar Bhat, Managing Director	27,00,000/-	44,14,306/-	80,00,000/-

• based on the recommendations of the Remuneration Committee of the Board at its meeting held on April 25, 2008 and after taking into consideration the performance during the financial year 2007-08; payable in financial year 2008 - 09.

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

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

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

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid to Non-Executive Directors for the year 2006-07 had been restricted to an aggregate limit of 0.25% of the available profits of the Company computed under Sections 198, 309, 349 & 350 of the Companies Act, 1956 which limit continues to be maintained for financial year 2007-08 as well.

The Commission payable to Non-Executive Directors have been approved by the shareholders at the Annual General Meeting held on August 31, 2005 and is within the limits specified under the Companies Act, 1956.

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

Titan Industries Limited

During the Financial Year 2007-08, the Company has paid Sitting Fees to Non Executive Directors detailed below and proposes to pay commission as shown below:-

(in Rs).

Name of Director	Commission*	Sitting Fees
Mr. Shaktikanta Das	1,85,200	30,000
Mr. M F Farooqui	61,700	10,000
Mr. N N Tata	1,23,500	20,000
Mr. F K Kavarana	1,23,500	20,000
Mr. Ishaat Hussain	6,17,300	1,10,000
Mr. T K Balaji	5,55,600	1,00,000
Dr. C G Krishnadas Nair	7,40,700	1,30,000
Mr. S Ramasundaram	3,08,600	60,000
Mr. S Susai	6,79,000	1,20,000
Mr. Sunil Paliwal	-	-
Mr. Nihal Kaviratne	7,40,700	1,20,000
Ms. Vinita Bali	6,79,000	1,10,000
Mr. Kumar Jayant	1,85,200	30,000

* Payable in Financial Year 2008-09

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

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

Details of shares of the Company held by Non-Executive directors as on March 31, 2008 are as below:

Name of Director	Number of Shares
Mr. M F Farooqui	NIL
Mr. S Ramasundaram	NIL
Mr. N N Tata	2,345
Mr. F K Kavarana	NIL
Mr. Ishaat Hussain	703
Mr. T K Balaji	28,050
Dr. C G Krishnadas Nair	NIL
Mr. Nihal Kaviratne	6,620
Mr. S Susai	NIL
Ms. Vinita Bali	NIL
Mr. Kumar Jayant	NIL

MEANS OF COMMUNICATION

Half-yearly report sent to each household of shareholders	:	No, the financial results are published in the Newspapers, as required under the Listing Agreements
Quarterly Results	:	-do-
Website, where results are displayed	:	The results are displayed on www.titanworld.com
Whether it also displays official news releases	:	Yes
Website for investor complaints		Pursuant to the amended listing agreements with the Stock Exchanges Clause 47(f) has been inserted for an exclusive e-mail ID for redressal of investor grievances. Accordingly, the Company has created an exclusive ID investor@titan.co.in for this purpose.
Presentations to institutional investors or analysts	:	One presentation has been made to institutional investors and the same is displayed in www.titanworld.com
Newspapers in which results are normally published	:	The New Indian Express, Dina Thanthi and Loksatta
Whether Management Discussion & Analysis is a part of the Annual Report	:	Yes

PARTICULARS OF THE PAST THREE ANNUAL GENERAL MEETINGS

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

Year	Location	Date	Time
2004-2005	At the registered office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	August 31, 2005	3.30 p.m.
2005-2006	-do-	August 31, 2006	3.30 p.m.
2006-2007	-do-	July 27, 2007	3:30 p.m.

Whether Special Resolutions -

a) Passed in the previous 3 Annual General Meetings - Yes

b) Were put through postal ballot last year - No

Details of voting pattern - Not Applicable

Persons who conducted the postal ballot exercise - Not Applicable

c) Are proposed to be conducted through postal ballot - No

Procedure for postal ballot - Not Applicable

GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	:	Thursday, July 31, 2008 at 2.30 p.m. at the Registered Office of the Company at 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Financial Year	:	April 1, 2007 to March 31, 2008
Directors seeking appointment /re-appointment	:	As required under Clause 49(IV)(G), particulars of Directors seeking appointment / re-appointment are given in the Explanatory Statement annexed to the Notice of the Annual General Meeting to be held on July 31, 2008.
Book Closure Date	:	July 17, 2008 to July 31, 2008 (both days inclusive)
Dividend payment date	:	On or after July 31, 2008, however within 30 days from the date of Annual General Meeting.
Financial Calendar Period (tentative) - Quarter ending Jun 30, 2008 - Quarter ending Sep 30, 2008 - Quarter ending Dec 31, 2008 - Quarter ending Mar 31, 2009	:	Board Meeting to approve quarterly financial results - End July 2008 - End October 2008 - End January 2009 - April / May 2009
Registered Office	:	3, SIPCOT Industrial Complex Hosur 635 126, TamilNadu
Listing of Equity Shares on Stock Exchanges	:	Bombay Stock Exchange Limited, Mumbai Madras Stock Exchange Limited, Chennai National Stock Exchange of India Limited, Mumbai
Listing fees	:	Listing fees as prescribed have been paid to all these stock exchanges up to March 31, 2009.
Share Registrar and Transfer Agents	:	**M/s TSR Darashaw Limited** 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr E Moses Road, Mahalaxmi, Mumbai – 400 011 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com Tel No: 022-66568484 Fax No: 022-66568496

Titan Industries Limited

Company's Address		**Mrs. Usha Iyengar,** Company Secretary Golden Enclave, Tower - A, Airport Road, Bangalore 560 017 E-mail: ushai@titan.co.in Tel No: 080-6660 9610 Fax No: 080-2526 3001 / 2526 9923

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

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

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

TSR Darashaw Limited
2/42, Sant Vihar
Ansari Road, Darya gang
New Delhi – 110 002
Tel: 011 – 23271805
Fax: 011 – 23271802
Email: tsrdldel@tsrdarashaw.com

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

Shah Consultancy Services Limited
c/o. **TSR Darashaw Limited**
Sumatinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge, Ashram Road,
Ahmedabad – 380 006
Telefax: 079–2657 6038,
Email: shahconsultancy@hotmail.com

SHARE TRANSFER SYSTEM

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

INVESTOR SERVICES

Number of complaints from shareholders during the year ended March 31, 2008

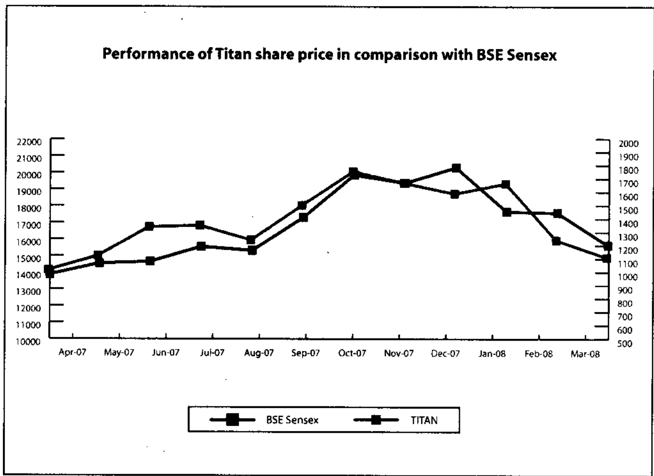
Complaints outstanding as on April 1, 2007	
Complaints received during the year ended March 31, 2008	1
Complaints resolved during the year ended March 31, 2008	15
Complaints pending as on March 31, 2008	16
	0

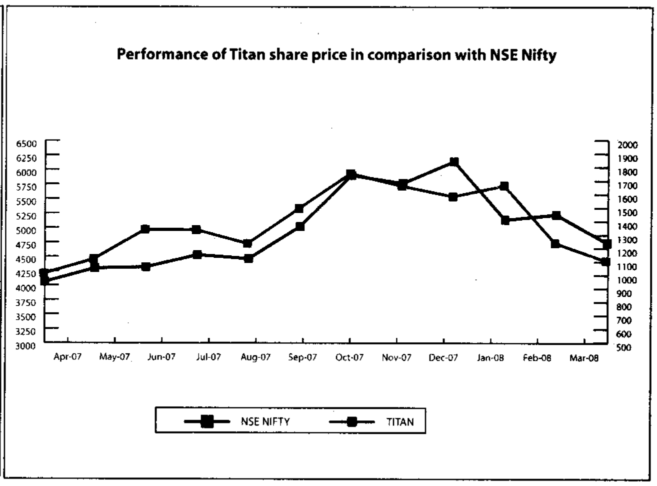
As at March 31, 2008, 5 share transfers and 13 demat requests were pending, however none of this were pending beyond 30 days except for 1 share transfer which was pending due to Court injunction order served on the Company against the transfer.

STOCK PERFORMANCE

Market Price Data – Bombay Stock Exchange Ltd

Month	Bombay Stock Exchange Ltd (in Rs.)		BSE Sensex
	High	Low	
April 2007	1,042.00	808.10	13,872.37
May 2007	1,139.90	962.10	14,544.46
June 2007	1,365.00	991.15	14,650.51
July 2007	1,378.00	1,078.05	15,550.99
August 2007	1,265.00	1,025.00	15,318.60
September 2007	1,538.00	1,235.15	17,291.10
October 2007	1,795.00	1,395.00	19,837.99
November 2007	1,759.00	1,358.00	19,363.19
December 2007	1,630.00	1,371.00	20,286.99
January 2008	1,715.00	858.00	17,648.71
February 2008	1,297.00	959.00	17,578.72
March 2008	1,135.10	890.00	15,644.44





Market Price Data – National Stock Exchange of India Ltd

Month	National Stock Exchange of India Ltd (in Rs.)		Nifty
	High	Low	
April 2007	1,016.60	815.60	4,087.90
May 2007	1,124.95	907.80	4,295.80
June 2007	1,344.35	1,008.35	4,318.30
July 2007	1,342.95	1,128.55	4,528.85
August 2007	1,241.65	1,048.95	4,464.00
September 2007	1,501.10	1,267.00	5,021.35
October 2007	1,759.00	1,447.15	5,900.65
November 2007	1,667.55	1,423.60	5,762.75
December 2007	1,590.25	1,386.05	6,138.60
January 2008	1,670.90	1,090.10	5,137.45
February 2008	1,246.70	987.40	5,223.50
March 2008	1,114.10	915.30	4,734.50

Titan Industries Limited

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2008

No. of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	51,594	96.64	43,74,365	9.85
501-2000	1,367	2.56	11,48,319	2.59
2001-3000	112	0.21	279,239	0.63
3001-4000	55	0.10	191,343	0.43
4001-5000	47	0.09	216,660	0.49
5001-10000	53	0.10	397,106	0.89
10001 and above	159	0.30	37,782,276	85.12
TOTAL	**53,387**	**100.00**	**44,389,308**	**100.00**

CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2008

Category	No. of Share holders	No. of Shares held	% of Shareholding
Tamil Nadu Industrial Development Corporation Ltd.	1	12,373,836	27.88
Tata Group Companies	11	11,176,560	25.17
FFI / FIIs / OCBs	74	56,73,023	12.78
Bodies Corporate	1,099	1,733,583	3.91
Unit Trust of India	1	2,456	0.00
Mutual Funds	31	993,316	2.24
Nationalised Banks	9	59,074	0.13
Others	52,161	12,377,460	27.89
TOTAL	**53,387**	**44,389,308**	**100.00**

TOP TEN SHAREHOLDERS:

The Company's top ten shareholders as at March 31, 2008 are as shown below:

Sl. No.	Name	Holdings	% to total holding
1.	Tamilnadu Industrial Development Corporation Ltd	12,373,836	27.88
2.	Tata Sons Ltd	3,937,418	8.87
3.	Kalimati Investment Company Ltd	3,877,792	8.74
4.	Jhunjhunwala Rakesh Radheshyam	2,934,450	6.61
5.	Tata Chemicals Ltd.	1,502,109	3.38
6.	Matthews Pacific Tiger Fund	1,436,318	3.24
7.	Jhunjhunwala Rekha Rakesh	1,126,306	2.54
8.	Tata Investment Corporation Ltd.	861,282	1.94
9.	Mirae Asset Investment Management Co. Ltd a/c Mirae Asset India Discovery Equity Investment Trust	569,277	1.28
10.	Tata Tea Ltd	462,403	1.04

STOCK CODE

Equity Shares - physical form	-	Bombay Stock Exchange Ltd	:	500114
	-	Madras Stock Exchange Ltd	:	TWT
	-	National Stock Exchange of India Ltd	:	TITAN
Equity Shares - demat form	-	NSDL / CDSL	:	ISIN No. INE280A01010
Non-Convertible Debentures	-	Demat form - NSDL /CDSL	:	ISIN No.INE280A07025

The Aggregate Public Shareholding / Non-promoter Shareholding of the Company as at March 31, 2008 is as shown below:

Number of Shares : 20,838,912

Percentage to total holding : 46.95%

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on March 31, 2008, 95.44% of the Company's Equity Capital is held in dematerialised form with NSDL and CDSL. Trading in equity shares of the Company is permitted only in dematerialised form with effect from 15.02.1999 as per the notification issued by the Securities and Exchange Board of India (SEBI).

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

Stock option scheme: None

PLANT LOCATIONS

Watch Plants : (a) 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
(b) Mohabewala Industrial Area, Dehradun 248 002, Uttaranchal
i) Unit I - Khasra No. 148D, 173B, 176A, 176B
ii) Unit II - Khasra No. 148B, 149B
(c) Plot No.59, EPIP, Jharmajary Phase I, Solen District, Baddi 173 205, Himachal Pradesh
(d) Plot No. C1,C2,C3, Khasra No.37, Village Bantakheri, Tehsil - Roorkee, District - Haridwar, Uttaranchal

Precision Engineering Plant: No.15 B, Bommasandra Industrial Area, Hosur Road, Anekal Taluk, Bangalore 562 158

Jewellery and Clock Plants: (a) 27, 28 & 29, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
(b) Khasra No. 238, Kuanwala Dehradun 248 001, Uttranchal

ADDRESSES FOR CORRESPONDENCE

Registered Office : 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Corporate Office : Golden Enclave, Tower A, HAL Airport Road, Bangalore 560 017, Karnataka

B. NON-MANDATORY REQUIREMENTS

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

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

   Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of the Company. None of the independent directors on our Board have served for a tenure exceeding nine years from the date when the new Clause 49 became effective.
2. **Remuneration Committee –** The Company has constituted a Remuneration Committee to recommend appointment / re-appointment of Managing Director and Whole-Time Directors and to recommend / review remuneration of the Managing Director, Whole-time Directors and Non Executive Directors.

   All the members of the Remuneration Committee were present at the Meeting held on April 21, 2007. The Chairman of the Remuneration Committee was present at the last Annual General Meeting.

   Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Committee is an independent director.
3. **Shareholders Communications –** The Company displays its quarterly (unaudited), half-yearly (unaudited) and annual (audited) results on its website at www.titanworld.com, which is accessible to all. The results are also published in an English newspaper having a wide circulation and in Tamil and Marathi newspapers having a wide circulation in Tamilnadu and Maharashtra respectively.
4. **Whistle Blower Policy –** Details are given under the heading "Disclosures".
5. **Audit Qualifications –** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
6. **Training of Board Members –** The Company's Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in global economy and legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment.
7. **Mechanism for evaluating Non-Executive Board Members –** The Company has adopted a policy for evaluation of Non-Executive Board members based primarily on attendance and a few other factors including contribution at the Board Meetings and at Meetings of the Audit Committee of the Board.

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

April 25, 2008

The Board of Directors,
Titan Industries Limited

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

We, Bhaskar Bhat, Managing Director and K F Kapadia, Executive Vice President – Finance, hereby certify that in respect of the Financial Year ended on March 31, 2008:

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

BHASKAR BHAT
[Managing Director]

K F KAPADIA
[Executive Vice President - Finance]

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

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2008.

for TITAN INDUSTRIES LIMITED

BHASKAR BHAT
Managing Director
Date: 20th June 2008

Certificate

To the Members of
TITAN INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Titan Industries Limited, for the year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner
(Membership No. 21209)

Place: Chennai
Date: 20th June 2008

Auditors' Report

TO THE MEMBERS OF TITAN INDUSTRIES LIMITED

1. We have audited the attached balance sheet of TITAN INDUSTRIES LIMITED as at 31st March, 2008 and also the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
   c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2008;
      (ii) in the case of the profit and loss account, of the profit for the year ended on that date; and
      (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner
(Membership No. 21209)

Place: Bangalore
Date: 25th April, 2008

Annexure referred to in paragraph (3) of the Auditors' Report to the Members of TITAN INDUSTRIES LIMITED on the Accounts for the year ended 31st March, 2008

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

(b) Most of the fixed assets have been physically verified by the management. As explained to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) During the year, in our opinion, the Company has not disposed of a substantial part of the fixed assets.

ii) (a) In our opinion, inventories have been physically verified during the year by the management at reasonable intervals. In the case of stocks lying with third parties, certificates confirming stocks have been received in respect of substantial portion of the stocks held.

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

(c) In our opinion and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. Discrepencies noticed on physical verification of inventories as compared to the book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.

iii) According to the information and explanations given to us with regard to loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report as follows:

(a) During the year, the Company has not granted loans to any such parties. The maximum amount involved at any time during the year and the year end balance of the loans granted in earlier years was Rs. 7,795.67 lakhs and Rs. 3,591.06 lakhs respectively.

(b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted are not *prima facie* prejudicial to the interest of the Company.

(c) The parties have generally repaid the principal amounts and interest as stipulated or as rescheduled.

(d) As at the end of the financial year, there is no overdue amount in excess of Rs.1 lakh in respect of loans granted.

(e) The Company has not taken loans except for intercorporate deposits from five companies. The maximum amount involved in such transactions at any time during the year and the year end balance of intercorporate deposits taken from such parties was Rs. 4,805 lakhs and Rs. 4,805 lakhs respectively.

(f) In our opinion, the rate of interest and other terms and conditions of such intercorporate deposits are not *prima facie* prejudicial to the interest of the Company.

(g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the repayment of interest.

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

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

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

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

vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

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

viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 relating to the manufacture of watches and clocks and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's other products.

ix) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, cess and other material statutory dues, if any, applicable to it with the appropriate authorities. As at the last day of the financial year, there are no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company and the information and explanations given to us, there are disputed dues of Customs duty, Excise duty, Income tax and Sales tax which have not been deposited/ deposited partially, the details of which are set out below:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Custom duty	316.94	1989-94	Supreme Court
The Central Excise Act, 1944	Excise duty	2,266.98	May 2005 to March 2008	Supreme Court
		46.62	March 1987- February 1990, 1993-94, April 1995 to Oct 1998 and July 2001 – December 2002	Customs, Excise and Service Tax Appellate Tribunal
		15.72	1996-99	Commissioner (Appeals)
		76.77	1996-98, July 1999 – November 1999, 2000-01 and 2002-03	Assistant Commissioner
Sales Tax Laws	Sales tax	395.67	2000-01 and 2002-04	Commercial Taxes Appellate & Revisional Board
		649.59	1995-99 and 2000-05	Deputy Commissioner (Appeals)
		3.41	1997-98	Assistant Commissioner
Income-tax Act, 1961	Income tax	90.77	1999-00	Commissioner of Income Tax (Appeals)

x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses during the current financial year and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and debenture holders. There are no borrowings from financial institutions and therefore, reporting on the same does not arise.

xii) The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.

xiii) The provisions of special statute applicable to chit fund and nidhi/mutual benefit fund/society are not applicable to the Company.

xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.

xv) The Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.

xvi) The Company has not availed any term loans during the year.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have *prima facie*, not been used during the year for long-term investment.

xviii) The Company has not made any preferential allotment of shares during the year.

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

xx) We have verified that the end use of the money raised by public issue is as disclosed in the notes to the financial statements.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner
(Membership No. 21209)

Place: Bangalore
Date : 25th April, 2008

Titan Industries Limited

Balance Sheet as at March 31, 2008

Rupees in lakhs

	Schedule	As at 31st March, 2008		As at 31st March, 2007
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	A	4438.93		4438.93
Reserves and surplus	B	39177.62		28305.54
			43616.55	32744.47
Loan funds				
Secured loans	C	18811.35		17267.07
Unsecured loans	D	6978.02		7433.66
			25789.37	24700.73
Deferred tax liability (Net)			2471.17	1744.19
Total			71877.09	59189.39
APPLICATION OF FUNDS				
Fixed assets	E			
Gross block, at cost		55807.10		51548.33
Less : Depreciation		28561.01		26433.52
Net block		27246.09		25114.81
Advances on capital account and capital work-in-progress, at cost		999.13		1597.18
			28245.22	26711.99
Investments	F		4739.22	2702.03
Current assets, loans and advances	G			
Inventories		102109.05		67748.23
Sundry debtors		9645.31		9205.63
Cash and bank balances		5191.30		5072.99
Loans and advances		9916.83		6342.06
		126862.49		88368.91
Less :				
Current liabilities and provisions	H			
Current liabilities		80580.11		53686.01
Provisions		7389.73		5328.22
		87969.84		59014.23
Net current assets			38892.65	29354.68
Miscellaneous expenditure				
(To the extent not written off or adjusted)				
Deferred revenue expenditure			-	420.69
Total			71877.09	59189.39
Notes	K			

Per our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 25th April, 2008

Profit and Loss Account for the year ended March 31, 2008

Rupees in lakhs

	Schedule		Current Year	Previous year
INCOME				
Sales			**304109.38**	213645.88
Less : Excise Duty			**4734.87**	4621.66
Net Sales Income			**299374.51**	209024.22
Other income	I		**177.26**	321.91
Total			**299551.77**	209346.13
EXPENDITURE				
Operating and other expenses	J		**274334.69**	189179.29
Depreciation / Amortisation			**2972.77**	2559.09
Interest			**2013.99**	2042.26
Total			**279321.45**	193780.64
PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS			**20230.32**	15565.49
Exceptional items :				
Provision for doubtful loans and advances			**-**	2400.00
PROFIT BEFORE TAXES			**20230.32**	13165.49
Income taxes - Current		**3304.00**		3695.00
- Deferred		**726.98**		(286.29)
- Fringe Benefit Tax		**370.65**		323.65
			4401.63	3732.36
PROFIT AFTER TAXES			**15828.69**	9433.13
Less : Income tax of earlier years			**801.95**	20.44
NET PROFIT			**15026.74**	9412.69
Profit brought forward			**13093.30**	7750.00
Amount available for appropriation			**28120.04**	17162.69
Appropriations				
Transfer to debenture redemption reserve		**528.00**		485.00
Dividend on preference shares		**-**		38.95
Proposed dividend on equity shares		**3551.14**		2219.47
Tax on dividends		**603.52**		382.66
Transfer to general reserve		**1582.87**		943.31
			6265.53	4069.39
Balance carried to balance sheet			**21854.51**	13093.30
Earnings per share - Basic and diluted (Rs.)			**33.85**	21.22
Notes	K			

Per our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

K. F. Kapadia
Executive Vice President - Finance

Bhaskar Bhat
Managing Director

Usha Iyengar
Company Secretary

For and on behalf of the Board of Directors,

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

Bangalore, 25th April, 2008

Cash flow statement for the year ended March 31, 2008

			Rupees in lakhs	
			Current Year	Previous Year
A.	**Cash flow from operating activities**			
	Net profit before tax		**20230.32**	13165.49
	Adjustments for :			
	-	Depreciation/Amortisation	**2972.77**	2559.09
	-	Unrealised exchange difference (net)	**221.87**	(891.03)
	-	Loss on sale/disposal of fixed assets (net)	**162.62**	129.86
	-	Loss on sale of investments (net)	**32.85**	
	-	Provision for doubtful debts (net)	**(442.00)**	622.01
	-	Provision for doubtful loans & advances (net)	**165.22**	2400.00
	-	Interest income	**(110.39)**	(206.53)
	-	Dividend income		(56.80)
	-	Interest expense	**2013.99**	2042.26
	-	Deferred revenue expenditure written off	**420.69**	1009.84
	Operating profit before working capital changes		**25667.94**	20774.19
	Adjustments for :			
	-	(Increase)/Decrease in sundry debtors	**114.69**	(915.60)
	-	(Increase)/Decrease in inventories	**(34360.82)**	(30308.79)
	-	(Increase)/Decrease in loans and advances	**(1992.25)**	5732.37
	-	Increase/(Decrease) in current liabilities and provisions	**26878.81**	21455.89
		Cash generated from operations	**16308.37**	16738.06
	-	Direct taxes paid	**(6086.70)**	(4134.76)
	Net cash from/(used in) operating activities		**10221.67**	12603.30
B.	**Cash flow from investing activities**			
	Additions to fixed assets (including capital work-in-progress and advances on capital account)		**(4745.16)**	(10125.38)
	Proceeds from sale of fixed assets		**76.54**	326.44
	Purchase of investments – subsidiary companies		**(2086.68)**	-
	Proceeds from sale of investments – subsidiary companies		**16.64**	-
	Dividends received		**-**	56.80
	Interest received		**563.44**	679.47
	Net cash from/(used in) investing activities		**(6175.22)**	(9062.67)
C.	**Cash flow from financing activities**			
	Proceeds from issue of equity share capital (including share premium)		**-**	7,395.63
	Proceeds from issue of preference share capital		**-**	1940.00
	Redemption of preference share capital		**-**	(5940.00)
	Proceeds from new borrowings		**34679.53**	37829.69
	Repayment of borrowings		**(33660.98)**	(40001.75)
	Dividends paid		**(2206.88)**	(1364.94)
	Tax on dividends paid		**(377.20)**	(192.23)
	Interest paid		**(2294.49)**	(2020.06)
	Net cash from/(used in) financing activities		**(3860.02)**	(2353.66)
	Net cash flows during the year (A+B+C)		**186.43**	1186.97
	Cash and cash equivalents (opening balance)		**5072.99**	3828.69
	Add :/(Less) : Unrealised exchange (gain)/loss		**(40.64)**	16.69
			5032.35	3845.38
	Cash and cash equivalents (closing balance)		**5191.30**	5072.99
	Add :/(Less) :Unrealised exchange (gain)/loss		**27.48**	(40.64)
			5218.78	5032.35
	Increase/(decrease) in cash and cash equivalents		**186.43**	1186.97

Per our report attached to the Balance Sheet

For and on behalf of the Board of Directors,

For **A. F. Ferguson & Co.**
Chartered Accountants

Bhaskar Bhat
Managing Director

B. Ramaratnam
Partner

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 25th April, 2008

Schedules forming part of the accounts

		Rupees in lakhs	
		As at 31st March, 2008	As at 31st March, 2007
" A " Share capital			
Authorised			
8,00,00,000 equity shares of Rs. 10 each		**8000.00**	8000.00
40,00,000 redeemable cumulative preference shares of Rs. 100 each		**4000.00**	4000.00
		12000.00	12000.00
Issued and subscribed			
4,43,89,308 equity shares of Rs. 10 each, fully paid up		**4438.93**	4438.93
		4438.93	4438.93
" B " Reserves and surplus			
Capital reserve		**13.23**	13.23
Share premium account			
As per last balance sheet	**13357.02**		6172.69
Add : Additions during the year			7184.33
		13357.02	13357.02
Debenture redemption reserve			
As per last balance sheet	**485.00**		-
Add : Transfer from profit and loss account	**528.00**		485.00
		1013.00	485.00
General reserve			
As per last balance sheet	**1356.99**		1093.65
Less : Employee benefits of earlier years	**-**		679.97
	1356.99		413.68
Add : Transfer from profit and loss account	**1582.87**		943.31
		2939.86	1356.99
Balance in profit and loss account		**21854.51**	13093.30
		39177.62	28305.54
" C " Secured loans			
6.75% non convertible debentures of Rs. 250 each, fully paid up (refer Note 5)		**5282.60**	5282.60
Term loans from banks (refer Note 6)		**5500.00**	3460.55
Cash credit account secured by hypothecation of book debts, inventories, stores and spares both present and future		**8028.75**	8523.92
		18811.35	17267.07

Schedules forming part of the accounts

Rupees in lakhs

	As at 31st March, 2008		As at 31st March, 2007
" D " Unsecured loans			
Fixed deposits		**173.02**	828.66
Short term loans and advances			
Loans from banks	**2000.00**		2000.00
Deposits from companies	**4805.00**		4605.00
		6805.00	6605.00
		6978.02	7433.66

" E " Fixed Assets

Rupees in lakhs

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 1-4-2007	**Additions**	**Deductions**	**Cost as at 31-3-2008**	**As at 1-4-2007**	**For the year**	**Deductions**	**As at 31-3-2008**	**As at 31-3-2008**	As at 31-3-2007
Land - freehold	232.22	**1.93**	**1.92**	**232.23**	-	-	-	-	**232.23**	232.22
Land - leasehold	138.01	**3.00**	-	**141.01**	-	-	-	-	**141.01**	138.01
Buildings	4945.38	**602.14**	**29.84**	**5517.68**	1498.71	**145.13**	**3.35**	**1640.49**	**3877.19**	3446.67
Plant, machinery and equipment	36227.48	**3421.65**	**725.64**	**38923.49**	22939.21	**1770.89**	**655.91**	**24054.19**	**14869.30**	13288.27
Furniture, fixtures and equipment	3167.35	**1197.94**	**267.85**	**4097.44**	1356.79	**294.65**	**141.41**	**1510.03**	**2587.41**	1810.56
Vehicles	510.78	**116.55**	**59.19**	**568.14**	217.00	**129.39**	**44.61**	**301.78**	**266.36**	293.78
Intangible assets - Trade Marks	6327.11	-	-	**6327.11**	421.81	**632.71**	-	**1054.52**	**5272.59**	5905.30
TOTAL	51548.33	**5343.21**	**1084.44**	**55807.10**	26433.52	**2972.77**	**845.28**	**28561.01**	**27246.09**	
Previous year	42042.24	10484.69	978.60	51548.33	24396.73	2559.09	522.30	26433.52		25114.81
Advances on capital account and capital work-in-progress, at cost									**999.13**	1597.18
									28245.22	26711.99

Schedule forming part of the accounts

Rupees in lakhs

	As at 31st March, 2008		As at 31st March, 2008
"F" Investments			
Trade investments (long-term) – unquoted			
In subsidiary companies			
75,000 (2007: 42,210) fully paid equity shares of Rs. 10 each in Titan Holdings Limited (32,790 equity shares purchased during the year) *	**412.32**		40.15
1,70,000 (2007: 60,000) fully paid equity shares of Rs. 10 each in Questar Investments Limited (1,10,000 equity shares purchased during the year) *	**477.80**		18.00
2,02,820 (2007: 1,42,000) fully paid equity shares of Rs. 10 each in Samrat Holdings Ltd. (60,820 equity shares purchased during the year) *	**3524.47**		2269.76
19,00,000 (2007: 19,00,000) fully paid equity shares of Rs. 10 each in Titan TimeProducts Limited	**237.70**		237.70
1,00,000 (2007: 1,00,000) fully paid equity shares of Rs. 10 each in Titan Properties Limited *	**10.00**		10.00
5,010 (2007: 5,010) fully paid equity shares of Rs. 10 each in Titan Mechatronics Limited *	**0.50**		0.50
15,000 (2007: 15,000) fully paid equity shares of Rs. 10 each in Tanishq (India) Limited *	**1.50**		1.50
Nil (2007: 17,500) fully paid equity shares of Euro 5 each in Titan Brand Holdings NV (17,500 equity shares sold during the year)	-		48.70
Nil (2007: 10,000) fully paid equity shares of Euro 500 each in Titan International Holdings BV (10,000 equity shares sold during the year)	-		2244.79
Less : Provision for diminution in value of investments	-		2244.00
	-		0.79
		4664.29	2627.10
* In 2007, disclosed under investment in non-subsidiary companies			
Others (long term) - quoted			
74,932 6.75% tax free bonds of Rs. 100 each of the Unit Trust of India		**74.93**	74.93
		4739.22	2702.03
Aggregate amount of quoted investments		**74.93**	74.93
Aggregate amount of unquoted investments		**4664.29**	2627.10
Market value of quoted investments		75.38	74.63

Schedule forming part of the accounts

Rupees in lakhs

	As at 31st March, 2008		As at 31st March, 2007	
"G" Current assets, loans and advances				
Inventories				
Consumable stores		**381.07**		369.52
Loose tools		**413.30**		382.36
Raw materials and bought-out components		**18516.26**		13987.02
Work-in-progress		**7384.25**		6972.03
Finished goods		**75414.17**		46037.30
		102109.05		67748.23
Sundry debtors (unsecured)				
Over six months				
Considered good	**680.97**		1703.91	
Considered doubtful	**686.35**		1128.35	
	1367.32		2832.26	
Others - Considered good	**8964.34**		7501.72	
	10331.66		10333.98	
Less: Provision for doubtful debts	**686.35**		1128.35	
		9645.31		9205.63
Cash and bank balances				
Cash on hand	**256.90**		301.05	
Cheques on hand	**993.80**		963.36	
With scheduled banks - in current accounts	**388.05**		2029.34	
- in transit	**3552.55**		1779.24	
		5191.30		5072.99
Loans and advances				
(unsecured and considered good, unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
- from subsidiaries				
Considered good	**146.26**		259.06	
Considered doubtful	**-**		7253.57	
	146.26		7512.63	
- from others				
Considered good	**6744.92**		5026.50	
Considered doubtful	**5616.35**		2402.43	
	12361.27		7428.93	
Tax payments, net of provision	**2070.27**		452.47	
Balances with customs and excise authorities	**955.38**		604.03	
	15533.18		15998.06	
Less: Provision for doubtful loans and advances	**5616.35**		9656.00	
		9916.83		6342.06
		126862.49		88368.91

Schedules forming part of the accounts

			Rupees in lakhs
	As at 31st March, 2008		As at 31st March, 2008
" H " Current liabilities and provisions			
Current liabilities			
Sundry creditors			
Dues to micro enterprises and small enterprises	**10.16**		-
Others	**65755.20**		45861.85
	65765.36		45861.85
Unclaimed dividends	**71.10**		58.51
Other liabilities	**14371.95**		7402.97
Interest accrued but not due on loans	**371.70**		362.68
		80580.11	53686.01
Provisions			
Provision for fringe benefit tax, net of payments	**10.36**		2.66
Proposed dividend on equity shares	**3551.14**		2219.47
Tax on dividends	**603.52**		377.20
Retiring gratuities and pension	**796.44**		820.11
Leave salaries	**2197.96**		1759.51
Warranties	**230.31**		149.27
		7389.73	5328.22
		87969.84	59014.23

			Rupees in Lakhs
		Current Year	Previous Year
" I " Other income			
Interest from staff loans, vendor advances and bank deposits - gross (tax deducted at source on interest received Rs. 9.95 lakhs; 2007: Rs. 29.19 lakhs)		**105.33**	201.47
Income from trade investments		-	56.80
Interest from tax free bonds of Unit Trust of India		**5.06**	5.06
Miscellaneous income		**66.87**	58.58
		177.26	321.91
" J " Operating and other expenses			
Raw materials and components consumed		**213924.68**	145614.93
Loose tools, stores and spare parts consumed		**4187.20**	3551.64
Purchase of finished goods		**25067.51**	13053.21
Payments to and provisions for employees			
Salaries and wages	**16291.46**		13535.31
Company's contribution to provident and other funds	**828.44**		701.66
Welfare expenses	**1287.03**		1001.46
Gratuity	**509.42**		466.00
Deferred revenue expenditure written off - VRS	**420.69**		1009.84
		19337.04	16714.27
Other expenses			
Power and fuel	**1390.30**		1154.51
Repairs to buildings	**153.29**		125.52
Repairs to plant and machinery	**596.22**		560.34

Schedule forming part of the accounts

Rupees in lakhs

		Current Year		Previous Year
"J" Operating and other expenses (Contd.)				
Advertising		**15155.10**		13382.06
Selling and distribution expenses		**4028.67**		3438.16
Insurance		**295.26**		281.64
Rent		**3073.81**		1670.17
Rates and taxes		**5804.34**		6047.38
Travel		**1444.61**		1204.75
Provision for doubtful debts		**136.00**		622.01
Provision for doubtful debts of earlier years written back		**(578.00)**		-
Irrecoverable loans & advances written off	**4204.87**			-
Less : Provision for loans & advances created in earlier years	**(4039.65)**			-
		165.22		-
Loss on sale of investments	**2276.85**			-
Less : Provision for investments created in earlier years	**(2244.00)**			-
		32.85		-
Provisions of earlier years written back		**(1058.99)**		-
Loss on sale/disposal of fixed assets (net)		**162.62**		129.86
Gold price hedging costs (net)		**5410.20**		(154.90)
General expenses		**5339.27**		6414.01
			41550.77	34875.51
Directors' fees			**8.60**	8.45
Commission to Non Whole-time Directors			**50.00**	35.90
Decrease/(Increase) in work-in-progress and finished goods				
Closing stocks				
Work-in-progress	**7384.25**			6972.03
Finished goods	**75414.17**			46037.30
		82798.42		53009.33
Opening stocks				
Work-in-progress	**6972.03**			5445.73
Finished goods	**46037.30**			22941.26
		53009.33		28386.99
			(29789.09)	(24622.34)
			274336.71	189231.57
Less : Expenses capitalised			**2.02**	52.28
			274334.69	189179.29

Schedule forming part of the accounts

"K" Notes to the accounts

1. **Accounting policies :**

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

i. Revenue recognition : Revenue from sale of goods is recognised when the goods are despatched from the factory/stock points to customers.

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

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

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

In line with Accounting Standard 19 on 'Leases', fixed assets acquired through 'finance lease' transactions have been capitalised.

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

Computers - depreciated @ 25% instead of 16.21%

Vehicles - depreciated @ 25% instead of 9.50%

Leased assets - depreciated over the primary lease period.

iv. Amortisation : Trade marks are amortised over a period of 120 months from the month of acquisition.

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

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

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

vi. Hedging transactions: The Company enters into forward contracts to hedge its exposure to movements in gold rates. All such forward contracts are supported by an underlying transaction and are not for trading or speculative purposes. The use of these forward contracts reduces the risk to the company. The net cost arising out of such forward contracts is recognised in the profit and loss account.

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

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

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

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

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

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

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

xi. Employee Benefits:

Short term employee benefits

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

Schedule forming part of the accounts

Defined Contribution plan

Company's contributions to the Superannuation Fund which is self managed Fund and Pension Fund administered by Regional Provident Commissioner are debited to the profit and loss account on an accrual basis.

Defined Benefit Plan

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

Contribution to the Company's Provident Fund Trust is made at predetermined rates and debited to the profit and loss account on an accrual basis (refer note 37)

xii. Deferred revenue expenditure : Compensation paid/ payable to employees who have opted for retirement under the Voluntary Retirement Scheme (VRS) of the Company is amortised over a period of 60 months.

xiii. Deferred Taxation : Deferred taxation is accounted for on the liability method by computing the tax effect of timing differences which arise during the year and reversed during subsequent periods.

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

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

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

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

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

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

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1745.76 lakhs (2007 : Rs. 1901.70 lakhs).

3. (a) Provision for warranty - Rs. 230.31 lakhs (2007 : Rs. 149.27 lakhs).

The Company gives warranty on all products except jewellery, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows and determined based on past experience. No reimbursements are expected. Additional provision made and utilised/reversed during the year is Rs. 191.24 lakhs (2007 : Rs. 121.71 lakhs) and Rs. 110.20 lakhs (2007 : Rs. 115.34 lakhs) respectively.

(b) Contingent liabilities not provided for - Rs. 4094.83 lakhs (2007: Rs. 5699.27 lakhs) comprising of the following :

Sales Tax – Rs. 1176.90 lakhs (2007 : Rs. 812.31 lakhs)

(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Customs Duty – Rs. 316.94 lakhs (2007 : Rs. 1420.11 lakhs)

(relating to compliance with the terms of notification, end use of materials cleared at the lower rate of duty)

Excise duty – Rs. 2426.58 lakhs (2007 : Rs. 2414.91 lakhs)

(relating to denial of exemption by amending the earlier notification, computation of the assessable value)

Income Tax – Rs. 113.66 lakhs (2007 : Rs. 986.19 lakhs)
(relating to disallowance of deductions claimed)

Schedule forming part of the accounts

Others – Rs. 60.75 lakhs (2007 : Rs. 65.75 lakhs)
(relating to miscellaneous claims)

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

4. In terms of the Letter of Offer, out of the Rights Issue proceeds of Rs. 12678.23 lakhs, Rs. 4362.22 lakhs (2007 : 8316.01 lakhs) have been spent towards the objects of the issue during the year, setting up of new showrooms and upgradations and expansions of existing showrooms Rs. 1803.12 lakhs (2007 : Rs. 1711.14 lakhs), replacement, refurbishing and expansion of the watch manufacturing facilities Rs. 1041.13 lakhs (2007 : Rs. 1381.03 lakhs), expansion of jewellery making facilities Rs. 492.34 lakhs (2007 : Rs. 466.83 lakhs), expansion of precision engineering manufacturing facilities Rs.1025.63 lakhs (2007 : Rs. 539.46 lakhs) and redemption of preference shares and general corporate purposes Rs.Nil (2007 : Rs. 4217.55 lakhs).

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

6. The term loans from banks shown under secured loans include :

   a) Loan of Rs.500.00 lakhs (2007 : Rs. 3460.55 lakhs) secured by a first charge by way of hypothecation of movable assets (save and except current assets and assets taken on lease) and by way of an equitable mortgage of immovable properties of the Company, both present and future.

   b) Loan of Rs. 5000.00 lakhs (2007 : Rs. Nil) secured by a first charge by way of hypothecation of movable assets (save and except current assets) and to be secured by way of an equitable mortgage of immovable properties of the Company, both present and future.

7. Non-fund based facilities availed of Rs. 24419 lakhs (2007 : Rs. 20837 lakhs) from banks are secured by a first charge by way of hypothecation of current assets including book debts and inventories, both present and future.

8. The security covered under notes 5 and 6 above rank pari passu. The security covered under note 7 rank pari passu with the security for the cash credit facility.

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

			Rupees in lakhs
a)	Principal amount unpaid as at March 31, 2008	10.16	
	Interest due on above	-	
			10.16
b)	Payments beyond the appointed day during the year :		
	Principal paid during the year	-	
	Interest paid during the year	-	
			-
c)	Interest due and payable for the period of delay as mentioned in (b) above		-
d)	Interest accrued and remaining unpaid as at March 31, 2008		-
e)	Amount of further interest remaining due and payable		-

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

10. Exchange gain (net), included in the profit and loss account is Rs. 2557.77 lakhs (2007 : gain Rs. 835.26 lakhs).

11. Auditors remuneration comprises of fees for audit of statutory accounts Rs.65.00 lakhs (2007 : Rs.40.00 lakhs), taxation matters Rs. 15.25 lakhs (2007 : Rs. 18.50 lakhs), audit of consolidated accounts Rs. 7.00 lakhs (2007 : Rs. 7.00 lakhs), services provided in relation to rights issue Rs. Nil (2007 : Rs. 9.25 lakhs), other services Rs. 27.75 lakhs (2007 : Rs. 12.40 lakhs) and reimbursement of levies and expenses Rs. 6.29 lakhs (2007 : Rs. 2.50 lakhs).

12. Excise duty of Rs. 4734.87 lakhs (2007 : Rs. 4621.66 lakhs) reduced from gross sales in the profit and loss account represents excise duty on sale of products.

13. Rates and taxes include the following :

   i) Rs. 173.22 lakhs (2007 : Rs. 313.53 lakhs) being the difference in excise duty included in opening stock and closing stock of finished goods.

Schedule forming part of the accounts

ii) Rs. 3647.94 lakhs (2007: Rs. 3514.21 lakhs) being the excise duty paid on watch components transferred from Hosur factory to Dehradun, Baddi and Rourkee factories.

14. (a) Interest expense disclosed in the profit and loss account is net of Rs.370.82 lakhs (2007 : Rs. 453.05 lakhs) being interest income on loans and advances.

(b) Interest on fixed loans amounts to Rs. 1346.11 lakhs (2007 : Rs. 1562.93 lakhs).

15. Exceptional items represent provision for doubtful loans and advances relating to European operations.

16. The Directors' remuneration of Rs. 201.14 lakhs (2007 : Rs. 156.55 lakhs), excluding provision for encashable leave and gratuity as separate actuarial valuation is not available, comprises of payments to the Managing Director which is inclusive of contribution to provident and other funds Rs. 7.29 lakhs (2007 : Rs. 6.16 lakhs), perquisites Rs. 36.85 lakhs (2007 : Rs. 31.69 lakhs), commission of Rs. 80.00 lakhs (2007 : Rs. 60.00 lakhs) and commission to non whole-time directors of Rs.50.00 lakhs (2007 : Rs. 35.90 lakhs).

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

	Rupees in lakhs	
	2008	2007
Profit before taxes as per Profit and Loss Account	**20230.32**	13165.49
Add: Directors' remuneration	**201.14**	156.55
Directors' fees	**8.60**	8.45
Depreciation /amortisation provided in the accounts for the current year	**2972.77**	2559.09
Loss on sale of fixed assets as per books (net)	**162.62**	129.86
Provision for Doubtful debts (net)	**(442.00)**	622.01
Provision for Doubtful loans and advances (net)	**165.22**	2400.00
Loss on sale of investments (net)	**32.85**	-
Deferred Revenue Expenditure written off – VRS	**420.69**	1009.84
Wealth Tax	**2.09**	1.64
	23754.30	20052.93
Less: Depreciation as per Section 350 of the Companies Act, 1956 for the current year	**2748.10**	2346.46
Loss on sale of fixed assets as per Section 350 of the Companies Act, 1956 (net)	**176.23**	135.65
Net profit	**20829.97**	17570.82
Restricted to		
5% of net profit for whole-time directors	**1041.50**	878.54
1% of net profits for non whole-time directors	**208.30**	175.71

17. The provisions of Industries (Development and Regulation) Act, 1951, relating to licensed capacity are not applicable to the Company. The installed capacity is 12 million watches (2007 : 12 million watches), 0.45 million jewellery pieces (2007: 0.29 million jewellery pieces) and 0.30 million clocks (2007 : 0.30 million clocks). The installed capacities are as certified by the management and relied upon by the auditors without verification, being a technical matter.

18. The Company produced 93,79,573 watches (2007 : 90,59,059 watches) sold 94,22,228 watches - Rs. 76694.00 Lakhs (2007 : 86,47,138 watches - Rs. 68847.65 lakhs) and had a Closing Stock of 10,40,138 watches - Rs. 6959.22 lakhs (2007 : 10,82,793 watches – Rs. 8142.39 lakhs; 2006 : 6,70,872 watches – Rs. 3582.37 lakhs).

19. The Company produced 1,22,728 clocks (2007 : 1,49,012) sold 1,24,728 clocks - Rs. 1313.31 lakhs (2007 : 1,48,583 clocks - Rs. 666.05 lakhs) and had a closing stock of 30,687 clocks – Rs. Nil (2007 : 32,687 clocks – Rs. 11.54 lakhs; 2006 : 32,258 clocks - Rs. 65.05 lakhs).

20. The Jewellery Division of the Company produced 12,17,174 jewellery pieces (2007: 7,44,826 jewellery pieces), purchased 82,405 jewellery pieces – Rs. 18137.14 lakhs (2007 : 58,800 jewellery pieces – Rs. 10415.39 lakhs), sold 11,38,910 jewellery pieces - Rs. 171204.16 lakhs (2007 : 7,20,241 jewellery pieces - Rs. 103176.03 lakhs) and had a closing stock of 4,07,778 jewellery pieces - Rs. 62966.35 lakhs (2007 : 2,47,109 jewellery pieces - Rs. 34110.83 lakhs, 2006 : 1,63,724 jewellery pieces - Rs. 17656.87 lakhs).

21. The Jewellery Division of the Company produced 10,22,244 coins (2007 : 19,37,452 coins), sold 10,16,674 coins - Rs. 31311.27 lakhs (2007 : 19,24,852 coins - Rs. 25853.85 lakhs) and had a closing stock of 46,604 coins - Rs. 2090.10 lakhs (2007 : 41,034 coins - Rs. 1994.94 lakhs, 2006 : 28,434 coins - Rs. 1000.49 lakhs).

22. The Company produced 37 machines (2007 : 34 machines), capitalised 2 machines (2007 : 7 machines), sold 36 machines – Rs. 2025.61 lakhs (2007 : 26 machines – Rs. 1316.26 lakhs), and had a closing stock of Nil machine – Rs. Nil lakhs (2007: 1 machine – Rs. 114.87 lakhs, 2006: Nil – Rs. Nil).

Schedule forming part of the accounts

23. The Company purchased 10,93,343 watches – Rs. 5630.59 lakhs (2007 : 3,93,162 watches – Rs. 1914.46 lakhs), sold 8,64,223 watches – Rs. 10270.14 lakhs (2007 : 3,17,216 watches – Rs. 4566.07 lakhs) and had a closing stock of 3,44,048 watches - Rs. 2553.05 lakhs (2007 : 1,14,928 watches - Rs. 853.34 lakhs; 2006 : 38,982 watches - Rs. 343.69 lakhs).

24. The Company purchased Nil clocks (2007 : Nil), sold 418 clocks – Rs. 0.01 lakhs (2007 : 109 clocks – Rs. 0.33 lakhs) and had a closing stock of 3,590 clocks - Rs. Nil (2007 : 4,008 clocks - Rs. Nil; 2006 : 4,117 clocks - Rs. 15.29 lakhs).

25. The Company purchased 5,65,459 eyewear products – Rs. 1436.51 lakhs (2007 : 4,65,683 eyewear products – Rs. 1253.35 lakhs), sold 5,72,138 eyewear products – Rs. 4052.66 lakhs (2007 : 3,80,145 eyewear products – Rs. 2527.04 lakhs) and had a closing stock of 1,68,362 eyewear products - Rs. 619.70 lakhs (2007 : 1,75,041 eyewear products - Rs. 675.91 lakhs; 2006 : 89,503 eyewear products - Rs. 185.41 lakhs).

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

26. Sales includes sale of scrap Rs. 593.31 lakhs (2007 : Rs. 599.37 lakhs), sale of accessories Rs. 5824.44 lakhs (2007 : Rs. 5259.18 lakhs), sale of tools and components Rs. 63.01 lakhs (2007 : Rs. 117.56 lakhs), sale of precious stones Rs. 1457.09 lakhs (2007 : Rs. 1283.89 lakhs), income from services provided Rs. 181.09 lakhs (2007 : Rs. 138.97 lakhs) and is net of turnover based commission of Rs. 5195.49 lakhs (2007 : Rs. 4105.79 lakhs) and all discounts, including cash discount of Rs. 515.18 lakhs (2007 : Rs. 417.46 lakhs).

27. Analysis of raw materials and components consumed :

	Rupees in lakhs **2008**	2007
Precious metals - Gold (2008 :15681 Kgs.); (2007 :10703 Kgs.).	**169471.58**	103727.76
-Others	**1836.17**	2318.34
Brass	**1437.88**	1308.63
Steel	**1240.93**	754.57
Components	**26617.67**	27275.43
Precious and semi-precious stones *	**12150.05**	9305.54
Sundry charges	**1170.40**	924.66
	213924.68	145614.93

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

* Includes 1006 nos (2007 : 847 nos) of precious stones sold costing Rs.1122.71 lakhs (2007 : Rs. 1015.97 lakhs)

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

	2008		2007	
	Rupees in Lakhs	**%**	Rupees in Lakhs	%
Imported				
CIF Value	**118308.49**	**55**	41372.78	28
Customs duties	**2286.82**	**1**	1804.34	1
	120595.31	**56**	43177.12	29
Indigenous	**93329.37**	**44**	102437.81	71
	213924.68	**100**	145614.93	100

29. Analysis of imports on CIF basis :

	Rupees in lakhs **2008**	2007
Raw materials and components	**112031.17**	42997.35
Stores and spares	**668.24**	307.09
Capital goods	**1488.22**	703.50
	114187.63	44007.94

Schedule forming part of the accounts

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

Rupees in lakhs

	2008	2007
Royalty	**79.86**	87.75
Professional and consultancy services	**130.22**	55.32
Interest	**67.50**	-
Others	**1036.63**	867.25

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

	2008	2007
(i) Number of Shareholders	**3**	6
(ii) Number of equity shares on which dividend was paid	**17,350**	18,210
(iii) Year to which the dividend related	**2006-07**	2005-06
(iv) Amount remitted (net of tax) (Rupees in lakhs)	**0.87**	0.55

32. Earnings in foreign exchange :

Rupees in lakhs

	2008	2007
Export of goods on FOB basis	**13838.55**	11561.75
Interest	**370.82**	453.05
Others	**30.36**	30.35

33. Revenue expenditure directly attributable to research and development is estimated at Rs. 291.67 lakhs (2007 : Rs. 205.56 lakhs).

34. Fixed assets include vehicles acquired on finance lease, the details of which are as under:

Rupees in lakhs

	2008	2007
(a) Cost of vehicles	**260.40**	299.59
(b) Vehicles acquired during the year	**-**	-
(c) Net carrying amount	**72.85**	145.43

(d) The total of minimum lease payments and their present value outstanding at the Balance Sheet date in respect of finance leases for each of the following years are as below:

Rupees in lakhs

	Minimum Lease Payments outstanding	Present value of Minimum Lease Payments outstanding
Not later than one year	51.16 (2007: 79.45)	38.88 (2007: 63.47)
Later than one year and not later than five years	3.84 (2007: 58.88)	3.14 (2007: 44.36)

The above relates to finance leases relating to vehicles taken on lease. There are no contingent rents payable. The lease rentals payable are fixed / variable as the case may be. The lease tenor is of 48 months. There are no escalation clauses. There are termination options / purchase options during the period of lease and in certain cases, there are renewal options at the end of the fixed non-cancellable period of the lease. In case of renewal, the lease is reviewed on a year to year basis with the same terms and conditions except with revised amount of monthly fixed rentals.

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

Rupees in lakhs

	2008	2007
For a period not later than one year	**2568.96**	1184.67
For a period later than one year and not later than five years	**4166.63**	1830.10
For a period later than five years	**206.60**	-
Total	**6942.19**	3014.77

Schedule forming part of the accounts

(b) The company has taken the above operating leases for non-cancellable period of 1 year to 9 years. The leases are renewable by mutual consent.

(c) Lease rentals recognised in the statement of profit and loss account in respect of the above operating lease is Rs.1930.31 lakhs (2007 : Rs. 811.64 lakhs).

36. (a) Sundry creditors include (i) Rs. 33.91 lakhs (2007 : Rs 82.19 lakhs) towards liability for lease of vehicles which falls due later than one year; and (ii) Rs. Nil (2007 : Rs. 42.74 lakhs) of acceptances.

(b) Current liabilities do not include any amount to be credited to Investor Education and Protection Fund except where there are legal cases amounting to Rs.0.10 lakhs (2007 : Rs. 0.32 lakhs) and therefore, amounts related to the same could not be transferred.

37. Employee Benefits

a. Defined Contribution Plans

The contributions recognised in the profit and loss account during the year are as under:

Rupees in lakhs

Defined Contribution Plan	**2008**	2007
Superannuation Fund	**174.15**	146.32
Employee Pension Fund (EPF)	**216.34**	201.06
Total	**390.49**	347.38

b. Defined Benefit Plans

(i) Funded

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

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

The following table sets out the funded status and amounts recognised in the Company's financial statements as at 31 March, 2008 for Gratuity:

Rupees in lakhs

			2008	2007
I	Net Asset / (Liability) recognized in the Balance Sheet			
	1	Present value of funded obligations	**3387.36**	2812.99
	2	Fair Value of Plan Assets	**(2877.94)**	(2225.79)
	3	(Deficit) / surplus	**(509.42)**	(587.20)
	4	Net Asset / Liability		
		-Assets	**-**	-
		- Liabilities	**509.42**	587.20
II	Expense recognized in the Profit & Loss account			
	1	Current Service Cost	**230.33**	191.51
	2	Interest Cost	**219.54**	176.60
	3	Expected Return on Plan Assets	**(166.74)**	(150.85)
	4	Actuarial Losses/ (Gains)	**226.29**	248.74
	5	Past Service Cost	**-**	-
		Total expenses recognised under the head "Payments to and provisions to employees Refer Schedule J"	**509.42**	466.00
III	Change in present value of obligation			
	1	Present value of Defined Benefit Obligation at the beginning of the year	**2812.99**	2393.19

Schedule forming part of the accounts

Rupees in lakhs

		2008	2007
	2 Current Service Cost	**230.33**	191.51
	3 Interest Cost	**219.54**	176.60
	4 Actuarial Losses/ (Gains)	**230.58**	141.89
	5 Benefits Paid	**(106.08)**	(90.20)
	6 Present value of Defined Benefit Obligation at the end of the year	**3387.36**	2812.99
IV	Change in fair value of Plan assets		
	1 Fair value of plan assets at the beginning of the year	**2225.79**	2005.77
	2 Expected Return on Plan assets	**166.74**	150.85
	3 Actuarial Losses/ (Gains)	**4.29**	(106.85)
	4 Assets distributed on settlement	**-**	-
	5 Contributions by employer	**587.20**	266.22
	6 Benefits Paid	**(106.08)**	(90.20)
	7 Fair value of plan assets at the end of the year	**2877.94**	2225.79
	Actual Return on Plan assets	**171.03**	44.00
V	The major categories of Plan Assets as a percentage of total Plan Assets		
	1 Government of India Securities	**41%**	41%
	2 Corporate bonds	**51%**	52%
	3 Others	**8%**	7%
VI	Principal actuarial assumptions		
	Discount Rate	**8.00% p.a**	8.10% p.a
	Expected Rate of Return on Plan Assets	**7.50% p.a**	7.50% p.a
VII	The employees are assumed to retire at the age of 58 years.		
VIII	The mortality rates considered are as per the published rates in the LIC (1994-96) mortality tables.		

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

Expected rate of return on plan assets is based on average yield on investments.

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

(ii) Unfunded

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

Rupees in lakhs

	Liability as on 31.03.2008	Liability as on 31.03.2007
Compensated absences / Leave salary	2197.96	1759.51
Pension	287.02	232.91

38. a) The sell / buy forward contracts (net) outstanding as at 31 March, 2008 in respect of hedging of price of gold, for the jewellery business, is 1760 kgs, Rs. 20143.48 lakhs (2007 : 950 kgs, Rs. 8546.05 lakhs).

b) There are no outstanding forward exchange contracts entered into by the company as on 31 March, 2008.

Schedule forming part of the accounts

c) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2008 are given below :

i Amounts receivable in foreign currency as at March 31, 2008
(Previous year figures are in brackets)

Amount in lakhs

Nature of receivables	**Rupees**	**Foreign currency**
Export of goods		
USD	2866.43 (4015.43)	71.48 (92.56)
SGD	0.75 (275.49)	0.03 (9.64)
GBP	101.44 (58.23)	1.27 (0.69)
HKD	115.39 (18.05)	22.41 (3.25)
EURO	141.83 (273.06)	2.24 (4.74)
Loans and advances		
USD	330.00 (164.09)	8.23 (3.78)

ii Amounts payable in foreign currency as at March 31, 2008
(Previous year figures are in brackets)

Amount in lakhs

Nature of payables	**Rupees**	**Foreign currency**
Import of goods and services		
USD	38994.46 (24648.67)	972.19 (567.94)
EURO	7.15 (26.95)	0.11 (0.47)
HKD	4.25 (11.75)	0.82 (2.11)
CHF	102.81 (8.38)	2.55 (0.24)
JPY	24.17 (-)	60.03 (-)

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

Rupees in lakhs

	As at 31.03.2007	Tax effect for the year	**As at 31.03.2008**
Deferred Tax (Liability)			
Fixed Assets	(3439.66)	(248.42)	(3688.08)
Sub Total	**(3439.66)**	**(248.42)**	**(3688.08)**
Deferred Tax Asset			
Provision for doubtful debts	379.80	(146.51)	233.29
Disallowances under section 43B	366.29	(323.67)	42.62
Provision for leave salary/gratuity	644.25	30.12	674.37
Deferred revenue expenditure	305.13	(38.50)	266.63
Sub Total	**1695.47**	**(478.56)**	**1216.91**
Net Deferred Tax Asset / (Liability)	**(1744.19)**	**(726.98)**	**(2471.17)**

Schedule forming part of the accounts

40. Related party disclosures :

Names of related parties and description of relationship :

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

b) Subsidiaries : Titan TimeProducts Ltd.
Titan International Holdings B.V. (upto 30 December 2007)
Titan Brand Holdings N.V. (upto 28 March 2008)
Titan Watch Co. Ltd, Hongkong (upto 30 December 2007)
Questar Investments Ltd. (from 18 February 2008)
Titan Holdings Ltd. (from 18 February 2008)
Samrat Holdings Ltd. (from 18 February 2008)
Tanishq (India) Ltd. (from 18 February 2008)
Titan Properties Ltd. (from 18 February 2008)
Titan Mechatronics Ltd. (from 18 February 2008)

c) Associates : Questar Investments Ltd. (upto 17 February 2008)
Titan Holdings Ltd. (upto 17 February 2008)
Samrat Holdings Ltd. (upto 17 February 2008)
Titan International Marketing Ltd. (upto 30 December 2007)
Tanishq (India) Ltd. (upto 17 February 2008)
Titan Properties Ltd. (upto 17 February 2008)
Titan Mechatronics Ltd. (upto 17 February 2008)
Titan International (Middle East) FZE (upto 30 December 2007)
Titan International Investments B.V. (upto 30 December 2007)
Rockbourne Holding B.V. (upto 30 December 2007)
Titan Watches & Jewellery International (Asia Pacific) Pte Ltd. (upto 30 December 2007)

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

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

Rupees in lakhs

Sr. No.	Nature of transaction	Promoters	Subsidiaries	Associates	Key Management Personnel	Total
1.	Purchase of components and finished goods	-	1597.61	1502.51	-	3100.12
		(-)	(1818.13)	(-)	(-)	(1818.13)
2.	Sale of components and finished goods	20.64	44.52	91.69	-	156.85
		(4.81)	(46.11)	(107.81)	(-)	(158.73)
3.	Reimbursement of expenses	0.19	-	-	-	0.19
		(1.10)	(-)	(-)	(-)	(1.10)
4.	Interest income	-	275.47	-	-	275.47
		(-)	(460.03)	(-)	(-)	(460.03)
5.	Interest expense	37.34	33.69	251.98	-	323.01
		(-)	(-)	(226.89)	(-)	(226.89)
6.	Rent paid	35.33	-	-	-	35.33
		(36.61)	(-)	(-)	(-)	(36.61)
7.	Dividend received	-	-	-	-	-
		(-)	(-)	(56.80)	(-)	(56.80)

Schedule forming part of the accounts

Rupees in lakhs

Sr. No.	Nature of transaction	Promoters	Subsidiaries	Associates	Key Management Personnel	Total
8.	Dividend paid	815.56 (478.25)	- (-)	- (28.11)	- (-)	815.56 (506.36)
9.	Commission and sitting fees to non whole-time directors	16.70 (17.55)	- (-)	- (-)	- (-)	16.70 (17.55)
10.	Intercorporate deposits taken	- (-)	178.00 (-)	367.00 (6075.00)	- (-)	545.00 (6075.00)
11.	Intercorporate deposits repaid	- (-)	- (-)	345.00 (3570.00)	- (-)	345.00 (3570.00)
12.	Preference Shares allotted	- (-)	- (-)	- (1940.00)	- (-)	- (1940.00)
13.	Preference Shares redeemed	- (-)	- (-)	- (4000.00)	- (-)	- (4000.00)
14.	Brand equity subscription	503.55 (340.98)	- (-)	- (-)	- (-)	503.55 (340.98)
15.	Recovery of expenses	- (-)	10.43 (9.21)	- (-)	- (-)	10.43 (9.21)
16.	Rendering of services	29.89 (42.16)	30.56 (23.21)	- (-)	- (-)	60.45 (65.37)
17.	Managerial remuneration	- (-)	- (-)	- (-)	151.14 (120.65)	151.14 (120.65)
18.	Loans (net) (-) repaid / disbursed	- (-)	- (-3000.99)	- (-)	- (-)	- (-3000.99)
19.	Advertising/Trademark advances (net) (-) repaid / reimbursed	- (-)	- (-2475.71)	- (-630.63)	- (-)	- (-3106.34)
20.	Provision for doubtful loans and advances	- (-)	- (2400.00)	- (-)	- (-)	- (2400.00)
21.	Advances recovered	- (-)	- (-)	(-)39.98 (96.00)	- (-)	(-)39.98 (96.00)
22.	Acquisition of trademarks	- (-)	- (-)	- (6327.11)	- (-)	- (6327.11)
23.	Sale of investments –Equity Shares	(-)	- (-)	5.85 (-)	- (-)	5.85 (-)
24.	Purchase of investments –Equity Shares	935.57 (-)	- (-)	501.27 (-)	- (-)	1436.84 (-)

Balance as on Balance Sheet Date

Rupees in lakhs

	Promoters	Subsidiaries	Associates	Key Management Personnel	Total
Debit balance	- (-)	205.78 (290.43)	- (1462.51)	(-)	205.78 (1752.94)
Credit balance	487.34 (307.52)	5070.45 (-)	- (4734.80)	83.27 (62.76)	5641.06 (5105.08)

Schedule forming part of the accounts

The above includes the following material related party transactions:-
(Previous year figures are in brackets)

Rupees in lakhs

Nature of transaction	**Category**	**Name**	**Amount**
(a) Purchase of components and finished goods	Subsidiary	Titan TimeProducts Ltd.	1597.61
	Associate	Titan International (Middle East) FZE	(1818.13) 1236.72 (-)
(b) Sale of components and finished goods	Associate	Titan International (Middle East) FZE.	87.48 (106.51)
(c) Dividend Paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	618.69 (371.22)
		Tata Sons Ltd.	196.87 (107.03)
(d) Intercorporate deposits taken	Associate	Samrat Holdings Ltd.	360.00 (5090.00)
	Associate	Questar Investments Ltd.	5.00 (310.00)
	Subsidiary	Questar Investments Ltd.	43.00 (-)
	Associate	Tanishq (India) Ltd.	- (200.00)
	Subsidiary	Tanishq (India) Ltd.	135.00 (-)
	Associate	Titan Holdings Ltd.	2.00 (470.00)
(e) Intercorporate deposits repaid	Associate	Samrat Holdings Ltd.	210.00 (2810.00)
	Associate	Questar Investments Ltd.	53.00 (255.00)
	Associate	Titan Holdings Ltd.	77.00 (405.00)
(f) Preference Shares allotted	Associate	Samrat Holdings Ltd.	- (1940.00)
(g) Preference Shares redeemed	Associate	Samrat Holdings Ltd.	- (3940.00)
(h) Advertising / Trademarks advances (net) (-) repaid / reimbursed	Subsidiary	Titan Brand Holdings N.V.	- (-109.80)
	Subsidiary	Titan International Holdings B.V.	- (-2365.91)
	Associate	Titan International Marketing Ltd.	- (-630.63)
(i) Loans repaid (net)	Subsidiary	Titan Brand Holdings N.V.	- (-1674.13)
	Subsidiary	Titan International Holdings B.V.	- (-1326.86)
(j) Provision for doubtful loans and advances	Subsidiary	Titan International Holdings B.V.	- (2400.00)
(k) Interest Income	Subsidiary	Titan International Holdings B.V.	275.47 (409.06)
(l) Interest paid	Associate	Samrat Holdings Ltd.	239.44 (218.03)
(m) Brand equity subscription	Promoters	Tata Sons Ltd.	503.55 (340.98)
(n) Acquisition of trademarks	Associate	Rockbourne Holding B.V	- (6327.11)

Schedule forming part of the accounts

Rupees in lakhs

Nature of transaction	Category	Name	Amount
(o) Purchase of investments – Equity Shares	Promoters	Tata Sons Ltd.	935.57 (-)
	Associate	Tanishq (India) Ltd.	498.41 (-)

41. Earnings per share :

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

Rupees in lakhs

		2008	2007
a)	Profit after tax for the year	**15828.69**	9433.13
	Less :i) Income tax of earlier years	**801.95**	20.44
	ii) Dividend on preference shares	-	38.95
	iii) Dividend tax on preference shares	-	5.46
		15026.74	9368.28
b)	Weighted average number of equity shares	**4,43,89,308**	4,41,51,953
c)	i) Nominal value of shares (Rs.)	**10**	10
	ii) Earnings per share - Basic and diluted (Rs.)	**33.85**	21.22

42. The Company has filed the scheme of merger of Samrat Holdings Ltd., Questar Investments Ltd. and Titan Holdings Ltd. as Transferor companies and Titan Industries Ltd. as the Transferee company with the appointed date of merger as 1.04.2007. No shares of the Transferee company are to be issued pursuant to the scheme. The three Transferor companies have become subsidiaries of Company w.e.f. 18th February, 2008 consequent to the minority interest being bought out in these companies by the Company. Based on Applications made under Section 391 of the Companies Act, 1956, the courts having jurisdiction over the three Transferor companies have granted dispensation of the meetings of shareholders and creditors of the Transferor companies. Petitions under Section 394 have also been filed in the respective High Courts i.e. the Bombay High Court in respect of two transferor companies–Samrat Holdings Ltd. and Questar Investments Ltd. and at the Karnataka High Court in respect of the third Transferor company, Titan Holdings Ltd.

43. Segment information for the year ended 31 March 2008

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

Rupees in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue Net sales/income (There is no inter-segment revenue)	87588 (73790)	202629 (128980)	9157 (6254)	- (-)	299374 (209024)
Segment Result Before interest, other income, taxes and exceptional items	13391 (11094)	10827 (8596)	-1438 (-1129)	-713 (-1275)	22067 (17286)
Add : Other Income	111 (92)	47 (106)	5 (4)	14 (120)	177 (322)
Profit before interest, taxes and exceptional items	13502 (11186)	10874 (8702)	-1433 (-1125)	-699 (-1155)	22244 (17608)
Exceptional items	- (2400)	- (-)	- (-)	- (-)	- (2400)

Schedule forming part of the accounts

Rupees in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Profit before interest and taxes	13502 (8786)	10874 (8702)	-1433 (-1125)	-699 (-1155)	22244 (15208)
Less : Interest (net)					2014 (2042)
Profit before taxes					20230 (13166)
Taxes					5203 (3753)
Profit after taxes					15027 (9413)
Other Information					
Segment Assets	49508 (49158)	93514 (58124)	10016 (7816)	6809 (3105)	159847 (118203)
Segment Liabilities	16795 (15300)	63560 (39533)	2961 (1251)	4654 (2930)	87970 (59014)
Capital expenditure	1826 (7476)	1560 (492)	1359 (2157)	- (-)	4745 (10125)
Depreciation/ amortisation	1824 (1595)	690 (535)	422 (347)	37 (82)	2973 (2559)
Non cash expenses other than depreciation/ amortisation	-49 (1325)	142 (202)	45 (69)	6 (36)	144 (1632)

b) Secondary Geographical Segments

	India	Europe	Others	Total
Revenue	285448 (197418)	115 (497)	13811 (11109)	299374 (209024)
Segment Assets	156190 (113274)	529 (519)	3128 (4410)	159847 (118203)
Capital expenditure	4666 (10115)	- (-)	79 (10)	4745 (10125)

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

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

45. Balance Sheet Abstract and Company's General Business Profile :

I. REGISTRATION DETAILS

REGISTRATION NO. 18-001456 STATE CODE 18

BALANCE SHEET DATE 31 03 2008

DATE MONTH YEAR

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

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

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

TOTAL LIABILITIES: 15984693	TOTAL ASSETS: 15984693

SOURCE OF FUNDS

PAID-UP CAPITAL: 443893	RESERVES & SURPLUS: 3917762
DEFERRED TAX LIABILITY: 247117	SECURED LOANS: 1881135
UNSECURED LOANS: 697802	

APPLICATION OF FUNDS

NET FIXED ASSETS: 2824522	INVESTMENTS: 473922
NET CURRENT ASSETS: 3889265	MISC. EXPENDITURE: NIL
ACCUMULATED LOSSES: NIL	

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

TURNOVER: 29937451	TOTAL EXPENDITURE: 27919145
+ - ✓ PROFIT/LOSS BEFORE TAX: 2023032	+ - ✓ PROFIT/LOSS AFTER TAX: 1502674
EARNING PER SHARE IN Rs.: 33.85	DIVIDEND RATE %: 80

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

ITEM CODE NO. (ITC CODE)	PRODUCT DESCRIPTION
91.02	WATCHES
91.03	CLOCKS
71.13	JEWELLERY

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

Bhaskar Bhat
Managing Director

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 25th April, 2008

Titan Industries Limited

STATEMENT OF LOANS AND ADVANCES TO SUBSIDIARIES AND ASSOCIATES

(As required under Clause 32 of the Listing Agreement with the Stock Exchanges)

There are no Loans and Advances outstanding from subsidiaries and associates as at 31st March, 2008.

Details of Loans and Advances outstanding from a former subsidiary and from a former associate as at 31st March, 2008 are as follows :

a) Loans and advances with interest at LIBOR rates :

- due from a former subsidiary : Titan International Holdings B.V.

  US$ 4,800,000 (Rs. 1924.80 lakhs); maximum during the year : US$ 4,800,000 (Rs. 1924.80 lakhs)

  US$ 2,100,000 (Rs. 842.10 lakhs); maximum during the year : US$ 2,100,000 (Rs. 842.10 lakhs)

  GBP 300,000 (Rs. 239.01 lakhs); maximum during the year : GBP 900,000 (Rs. 717.03 lakhs)

  EUR Nil; maximum during the year : EUR 6,950,000 (Rs. 4406.99 lakhs)

b) Advertising advances without interest, being utilised for brand-building, advertising and related expenses:

- due from a former associate : Titan International Marketing Ltd.

  US$ 3,300,000 (Rs. 1323.30 lakhs); maximum during the year : US$ 3,300,000 (Rs. 1323.30 lakhs)

  GBP 940,000 (Rs. 748.90 lakhs); maximum during the year : GBP 990,000 (Rs. 788.73 lakhs)

c) Firms/companies in which Directors of Titan Industries Ltd are interested :

   Mr. F. K. Kavarana and Mr. Bhaskar Bhat are also Directors of Titan International Holdings B. V. and Titan International Marketing Ltd. and may be considered to be interested in their fiduciary capacity.

d) None of the above companies hold any equity shares in Titan Industries Limited.

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 20th June, 2008

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

1. Name of Subsidiary	Titan TimeProducts Ltd.	Titan International Holdings B.V.	Titan Brand Holdings N.V.	Titan Watch Co. Ltd.	*Questar Investments Ltd.	*Titan Holdings Ltd.	*Titan Properties Ltd.	*Tanishq (India) Ltd.	*Titan Mechatronics Ltd.	*Samrat Holdings Ltd.
2. Financial year of the Subsidiary	31st March, 2008	31st December, 2007	31st March, 2008	31st December, 2007	31st March 2008	31st March, 2008	31st March, 2008	31st March, 2008	31st March, 2008	31st March, 2008
3 Share of the Subsidiary held by Titan Industries Limited on the above date :										
a) Number of shares and face value	1,900,000 equity shares of Rs. 10 each (fully paid up)	10,000 equity shares of EUR 500 each (fully paid up) (10,000 shares sold on 31/12/07)	*20,000 equity shares of EUR 5 each (fully paid up) (17,500 shares sold on 28/3/08)	**10,000 equity shares of HKD 1 each (fully paid up)	+ 240,000 equity shares of Rs. 10 each (fully paid up)	++ 85,000 equity shares of Rs. 10 each (fully paid up)	• 335,019, equity shares of Rs. 10 each (fully paid up)	•• 1,931,300 equity shares of Rs. 10 each (fully paid up)	••• 50,940 equity shares of Rs. 10 each (fully paid up)	+++ 284,120 equity shares of Rs. 10 each (fully paid up)
b) Extent of Holding	100%	100%	100%	100%	100%	100%	99.99%	99.99%	99.99%	100%
4. Net aggregate amount of profit/(loss) of the Subsidiary so far as they concern the members of Titan Industries Limited										
a) Dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2008	Rs. 10,077,983	EUR (5,536)	EUR (87,517)	Nil	Rs. 1,807,326	Rs. (1,538,598)	Rs. (141,064)	Rs. 36,655,925	Rs. 238,106	Rs. 17,481,133
5. Net aggregate amount of profit/(loss) for previous financial years of the Subsidiary since it became a subsidiary so far as they concern the members of Titan Industries Limited										
a) Dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2008	Nil	EUR (13,491,358)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2008	Rs. 19,505,794	EUR (946,481)	EUR 7,118	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* became a subsidiary on 18 February, 2008.
** 2,500 shares held by Titan Watch Co. Ltd.
*** held by Titan International Holdings B.V.
+ 70,000 shares held by Titan Holdings Ltd.
++ 10,000 shares held by Questar Investments Ltd.
+++ 81,300 shares held by Titan Holdings Ltd. and Questar Investments Ltd.
• 235,000 shares held by Titan Holdings Ltd. and Questar Investments Ltd.; 9 shares held by Titan Mechatronics Ltd. and Tanishq (India) Ltd.
•• 1,915,350 shares held by Titan Holdings Ltd. and Questar Investments Ltd.; 950 shares held by Titan Mechatronics Ltd.
••• 35,030 shares held by Titan Holdings Ltd. and Questar Investments Ltd.; 10,900 shares held by Tanishq (India) Ltd.

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 20th June, 2008

STATEMENT ANNEXED TO THE CONSOLIDATED ACCOUNTS PURSUANT TO APPROVAL UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2008

Name of Subsidiary	Titan TimeProducts Ltd.	**Titan International Holdings B.V.	**Titan Brand Holdings N.V.	**Titan Watch Co. Ltd.	•Questar Investments Ltd.	•Titan Holdings Ltd.	• Titan Properties Ltd.	•Tanishq (India) Ltd.	•Titan Mechatronics Ltd.	•Samrat Holdings Ltd.
(a) Share Capital	Rs. 19,000,000	EUR 5,000,000	EUR 100,000	HKD 10,000	Rs. 2,400,000	Rs. 99,350,000	Rs. 3,350,200	Rs.19,313,190	Rs. 510,000	Rs. 2,841,200
		(3170.50)	(63.41)	(0.52)						
(b) Reserves	Rs. 29,551,634	EUR [13,496,894]	EUR [80,399]	-	Rs. 51,266,821	Rs. 15,806,823	Rs. -	Rs.58,557,525	Rs. 896,778	Rs. 574,548,969
		(-8558.38)	(-50.98)							
(c) Total Assets	Rs. 114,925,600	EUR 5,755,308	EUR 24,539	HKD 130,000	Rs. 54,102,978	Rs.142,055,719	Rs. 223,614,053	Rs.79,523,373	Rs. 1,421,987	Rs. 628,010,455
		(3649.44)	(15.56)	(6.70)						
(d) Total Liabilities	Rs. 53,932,425	EUR 14,252,202	EUR 4,938	HKD 120,000	Rs. 436,157	Rs. 26,898,896	Rs. 220,263,853	Rs. 1,652,658	Rs. 15,209	Rs. 50,620,286
		(9037.32)	(3.13)	(6.18)						
(e) Investments*	-	6,000,000 preference shares of GBP 1 in Titan International Marketing Ltd.	-	2,500 shares of EUR 5 in Titan Brand Holdings NV	Rs. 1,471,408	Rs. 1,500,000	Rs. -	Rs. -	Rs. -	Rs. 9,739,500
(f) Income	Rs. 196,337,297	EUR 258,040	EUR 4,397	+	Rs. 2,467,696	Rs. 384,953	Rs. -	Rs.46,658,802	Rs. 321,249	Rs. 32,618,013
		(163.62)	(2.79)							
(g) Profit/[Loss] before tax	Rs. 14,616,885	EUR [5,536]	EUR [87,584]	+	Rs. 2,354,326	Rs. [1,509,571]	Rs. [182,571]	Rs.45,796,925	Rs. 302,106	Rs. 25,281,133
		(-3.51)	(-55.54)							
(h) Taxes	Rs. 4,538,902	EUR -	EUR [67]	+	Rs. 547,000	Rs. 29,027	Rs. (41,507)	Rs. 9,141,000	Rs. 64,000	Rs. 7,800,000
			(-0.04)							
(I) Profit/[Loss] after tax	Rs. 10,077,983	EUR [5,536]	EUR [87, 517]	+	Rs. 1,807,326	Rs. [1538,598]	Rs [141,064]	Rs.36,655,925	Rs. 238,106	Rs. 17,481,133
		(-3.51)	(-55.49)							
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

+ Titan Watch Co. Ltd. has not yet commenced business.
Figures in brackets are equivalent in Rupees Lakhs at the year-end exchange rates of EUR 1 = Rs. 63.41 and HKD 1 = Rs. 5.15.
The value of Investments in item (e) are included under Total Assets in item (c).
* excluding investments in subsidiaries
** disinvested during the year and no longer a subsidiary on 31 March, 2008.
• became a subsidiary on 18 February, 2008.

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

Bangalore, 20th June, 2008

Auditors' Report On Consolidated Financial Statements

To the Board of Directors of Titan Industries Limited

1. We have audited the attached Consolidated Balance Sheet of Titan Industries Limited and its subsidiaries ("Titan Group") as at 31st March, 2008 and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of Titan Industries Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect Titan Group's share of total assets of Rs. 7692.64 lakhs as at 31st March, 2008, Titan Group's share of total revenues of Rs.191.05 lakhs and net cash outflows amounting to Rs. 94.18 lakhs for the year ended on that date, and share of profits of associates of Rs. 252.03 as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management of Titan Group, and our opinion is based solely on the report of other auditors.

4. a) We report that the Consolidated Financial Statements have been prepared by the management of Titan Industries Limited in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.

   b) Based on our audit, consideration of reports of other auditors on separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Titan Group as at 31st March, 2008;

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

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

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner
(Membership No. 21209)

Place: Bangalore
Date: 25th April, 2008

Consolidated Balance Sheet as at March 31, 2008

Rupees in lakhs

SOURCES OF FUNDS	Schedule	As at 31st March, 2008		As at 31st March, 2007
Shareholders' funds				
Share capital	A	**4438.93**		4438.93
Reserves and surplus	B	**40141.02**		29272.17
			44579.95	33711.10
Loan funds				
Secured loans	C	**18854.91**		17342.21
Unsecured loans	D	**2173.02**		7433.67
			21027.93	24775.88
Deferred tax liability (Net)			**2521.55**	1807.81
Total			**68129.43**	60294.79
APPLICATION OF FUNDS				
Fixed assets	E			
Gross block, at cost		**57308.88**		52577.52
Less : Depreciation		**29541.19**		27047.89
Net block		**27767.69**		25529.63
Advances on capital account and capital work in progress, at cost		**1003.90**		1639.63
			28771.59	27169.26
Investments	F		**234.44**	3163.63
Current assets, loans and advances	G			
Inventories		**104396.67**		67926.47
Sundry debtors		**9929.57**		9743.40
Cash and bank balances		**5538.85**		5103.35
Loans and advances		**10486.70**		6138.39
		130351.79		88911.61
Less :				
Current liabilities and provisions	H			
Current liabilities		**83752.99**		53953.96
Provisions		**7475.40**		5416.44
		91228.39		59370.40
Net current assets			**39123.40**	29541.21
Miscellaneous expenditure (To the extent not written off or adjusted)				
Deferred revenue expenditure			**-**	420.69
Total			**68129.43**	60294.79
Notes	K			

Per our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

K. F. Kapadia
Executive Vice President - Finance

Bhaskar Bhat
Managing Director

Usha Iyengar
Company Secretary

For and on behalf of the Board of Directors,

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

Bangalore, 25th April, 2008

Consolidated Profit and Loss Account for the year ended March 31, 2008

Rupees in lakhs

	Schedule		**Year ended 31st March, 2008**	Year ended 31st March 2007
INCOME				
Sales			**304655.55**	213686.58
Less : Excise Duty			**4967.80**	4621.66
Net Sales Income			**299687.75**	209064.92
Other income	I		**338.70**	598.68
Total			**300026.45**	209663.60
EXPENDITURE				
Operating and other expenses	J		**275696.20**	190002.42
Depreciation/Amortisation			**3331.89**	2600.86
Interest			**2080.67**	2123.70
Total			**281108.76**	194726.98
PROFIT BEFORE TAXES			**18917.69**	14936.62
Income taxes - Current		**3359.14**		3716.53
- Deferred		**727.57**		(274.79)
- Fringe benefit tax		**373.14**		326.50
			4459.85	3768.24
PROFIT AFTER TAXES FOR THE YEAR			**14457.84**	11168.38
Less : Income tax of earlier years			**801.95**	23.06
			13655.89	11145.32
Share of Profits less losses of associates			**1100.48**	(1159.27)
NET PROFIT			**14756.37**	9986.05
Balance brought forward			**14012.67**	8102.10
			28769.04	18088.15
Less : Employee benefits of earlier years			-	6.09
Less : Adjustment in respect of associates becoming subsidiaries			**760.83**	-
AMOUNT AVAILABLE FOR APPROPRIATION			**28008.21**	18082.06
Appropriations				
Dividend on preference shares		-		38.95
Statutory Fund		**1.06**		-
Proposed dividend on equity shares		**3551.14**		2219.47
Tax on dividends		**603.52**		382.66
Transfer to general reserve		**1582.87**		943.31
Transfer to debenture redemption reserve		**528.00**		485.00
			6266.59	4069.39
			21741.62	14012.67
Notes	K			
Earnings per share - Basic and diluted (Rs.)			**33.24**	22.52

Per our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

K. F. Kapadia
Executive Vice President - Finance

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

Usha Iyengar
Company Secretary

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

Bangalore, 25th April, 2008

Consolidated cash flow statement for the year ended 31st March, 2008

		Rupees in lakhs Current year	Previous year
A.	**Cash flow from operating activities**		
	Net profit before tax	**18917.69**	14936.62
	Adjustments for :		
	- Depreciation/Amortisation	**3331.89**	2600.86
	- Unrealised Exchange difference (net)	**213.84**	(717.48)
	- Loss/(profit) on sale of fixed assets (net)	**162.68**	129.70
	- Loss on sale of Investments	**780.48**	935.75
	- Bad debts written off	**3.09**	-
	- Provision for doubtful debts	**162.94**	44.01
	- Provision for doubtful advances	**2.34**	-
	- Interest income	**(110.89)**	(199.99)
	- Interest expense	**2080.67**	2123.70
	- Deferred revenue expenditure written off	**420.69**	1770.91
	Operating profit before working capital changes	**25965.42**	21624.08
	Adjustments for :		
	- (Increase)/Decrease in sundry debtors	**(72.81)**	(873.73)
	- (Increase)/Decrease in inventories	**(34313.96)**	(30289.42)
	- (Increase)/Decrease in loans and advances	**(2159.25)**	7848.57
	- Increase/(Decrease) in current liabilities and provisions	**27498.30**	21438.97
	Cash generated from operations	**16917.72**	19748.47
	- Direct taxes paid	**(6255.24)**	(4157.20)
	Net cash from/(used in) operating activities (A)	**10662.48**	15591.27
B.	**Cash flow from investing activities**		
	Additions to fixed assets (including capital work in progress and advances on capital account)	**(4868.99)**	(10160.15)
	Proceeds from sale of fixed assets	**76.96**	327.35
	Purchase of investments - subsidiaries	**(2086.68)**	(3836.54)
	Purchase of investments - others	**(62.19)**	-
	Proceeds from sale of investments - subsidiaries	**16.64**	1189.88
	Dividend received from associates	**-**	56.80
	Interest received	**496.30**	446.68
	Net cash from/(used in) investing activities (B)	**(6427.96)**	(11975.98)
C.	**Cash flow from financing activities**		
	Proceeds from issues of equity share capital (including share premium)	**-**	7395.63
	Proceeds from issue of preference share capital	**-**	1940.00
	Redemption of preference share capital	**-**	(5940.00)
	Proceeds from new borrowings	**34509.04**	37829.69
	Repayment of borrowings	**(33722.06)**	(40071.18)
	Dividends paid	**(2206.88)**	(1364.94)
	Tax on dividends paid	**(377.20)**	(192.23)
	Interest paid	**(2287.26)**	(2028.85)
	Net cash from/(used in) financing activities (C)	**(4084.36)**	(2431.88)
	Net cash flows during the year(A+B+C)	**150.16**	1183.41
	Cash and cash equivalents (opening balance)	**5103.35**	3862.61
	Add/(Less) : Unrealised exchange (gain)/loss	**(40.64)**	16.69
	Add : Cash and cash equivalents on associates becoming subsidiaries	**653.78**	-
		5716.49	3879.30
	Cash and cash equivalents (closing balance)	**5538.85**	5103.35
	Add/(Less) : Unrealised exchange (gain)/loss	**27.48**	(40.64)
		5566.33	5062.71
	Increase/(decrease) in cash and cash equivalents	**150.16**	1183.41

Per our report attached

For and on behalf of the Board of Directors,

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

K. F. Kapadia
Executive Vice President - Finance

Bhaskar Bhat
Managing Director

Usha Iyengar
Company Secretary

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

Bangalore, 25th April, 2008

Schedules forming part of the Consolidated Accounts

			Rupees in lakhs
		As at 31st March, 2008	As at 31st March, 2007
"A" Share capital			
Authorised			
8,00,00,000 equity shares of Rs. 10 each		**8000.00**	8000.00
40,00,000 redeemable cumulative preference shares of Rs. 100 each		**4000.00**	4000.00
		12000.00	12000.00
Issued and subscribed			
4,43,89,309 (2007 : 4,43,89,309) equity shares of Rs. 10 each, fully paid up		**4438.93**	4438.93
		4438.93	4438.93
"B" Reserves and surplus			
Capital reserve		**13.23**	13.23
Capital reserve on consolidation		**1065.23**	37.26
Capital redemption reserve		**10.00**	10.00
Statutory Reserve		**1.06**	-
Securities Premium Account			
As per last Balance Sheet	**13357.02**		6172.69
Add : Additions during the year	**-**		7184.33
		13357.02	13357.02
Debenture redemption reserve			
As per last Balance Sheet	**485.00**		-
Add : Transfer from Profit and Loss account	**528.00**		485.00
		1013.00	485.00
General reserve			
As per last Balance Sheet	**1356.99**		1093.65
Less : Employee benefits of earlier years	**-**		679.97
	1356.99		413.68
Add : Transfer from Profit and Loss account	**1582.87**		943.31
		2939.86	1356.99
Profit and Loss account		**21741.62**	14012.67
		40141.02	29272.17

Schedules forming part of the Consolidated Accounts

		Rupees in lakhs **As at 31st March, 2008**	As at 31st March, 2007
"C" Secured loans			
6.75% non convertible debentures of Rs. 250 each, fully paid up (refer Note 7)		**5265.02**	5282.60
Term loans from banks (refer Note 8)		**5500.00**	3460.55
Cash credit account secured by hypothecation of book debts, inventories, stores and spares both present and future		**8089.89**	8599.06
		18854.91	17342.21
"D" Unsecured loans			
Fixed deposits		**173.02**	828.67
Short term loans and advances			
Loans from banks	**2000.00**		2000.00
Deposits from companies	**-**		4605.00
		2000.00	6605.00
		2173.02	7433.67

"E" Fixed Assets

Rupees in lakhs

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost As at 01-04-2007	**Additions/ Adjustments**	**Deductions**	**Cost As at 31.03.2008**	As at 1.04.2007	**For the year**	Deductions/ Adjustments	**As at 31.03.2008**	**As at 31.03.2008**	As at 31-03-2007
Land - freehold	232.22	**1.93**	**1.92**	**232.23**	-	**-**	-	**-**	**232.23**	232.22
Land - leasehold	153.37	**3.00**	**-**	**156.37**	7.64	**0.51**	-	**8.15**	**148.22**	145.73
Buildings	5147.69	**602.14**	**29.84**	**5719.99**	1578.19	**151.88**	3.35	**1726.72**	**3993.27**	3569.50
Plant, machinery and equipment	37095.92	**3488.96**	**726.14**	**39858.74**	23447.29	**1815.04**	656.00	**24606.33**	**15252.41**	13648.63
Furniture, fixtures and equipment	3194.49	**1198.28**	**267.85**	**4124.92**	1378.26	**295.92**	141.34	**1532.84**	**2592.08**	1816.23
Vehicles	527.29	**116.55**	**59.19**	**584.65**	221.41	**130.96**	44.61	**307.76**	**276.89**	305.88
Intangible assets										
- Trademarks	6226.54	**100.57**	**-**	**6327.11**	415.10	**632.71**	(6.71)	**1054.52**	**5272.59**	5811.44
- Goodwill on consolidation	-	**304.87**	**-**	**304.87**	-	**304.87**	-	**304.87**	**-**	-
TOTAL	52577.52	**5816.30**	**1084.94**	**57308.88**	27047.89	**3331.89**	838.59	**29541.19**	**27767.69**	
As at 31st March 2007	43039.00	10519.47	980.95	52577.52	24970.93	2600.86	523.90	27047.89		25529.63
Advances on capital account and capital work in progress, at cost									**1003.90**	1639.63
									28771.59	27169.26

Schedule forming part of the Consolidated Accounts

			Rupees in lakhs
	As at 31st March, 2008		As at 31st March, 2007
" F " Investments			
Trade investments			
Long Term			
Share in associates (accounted on equity method)			
Equity shares - Fully paid, unquoted			
Titan Properties Limited	-		9.11
Titan Mechatronics Limited	-		1.15
Titan Holdings Limited	-		90.36
Questar Investments Limited	-		129.71
Tanishq (India) Limited	-		3.21
Samrat Holdings Limited	-		2855.16
Titan International Investments B V	-		-
(See Schedule G and H)			
	-		3088.70
Equity Shares- Fully paid - Quoted			
Timex Watches Limited	**0.01**		-
(100 shares of Rs. 10 each)			
National Radio Electronics Company Limited	**0.10**		-
(1000 shares of Rs. 10 each)			
Tata Steel Limited	**3.27**		-
(1800 shares of Rs. 10 each)			
Tata Tea Limited	**2.34**		-
(600 shares of Rs. 10 each)			
Tata Chemicals Limited	**1.40**		-
(560 shares of Rs. 10 each)			
Trent Limited	**0.92**		-
(300 shares of Rs. 10 each)			
Titan Alloys Limited	**0.02**		-
(100 shares of Rs. 10 each)			
Titan Foods and Fashions	**0.01**		-
(100 shares of Rs. 10 each)			
Titan Biotech Limited	**0.02**		-
(100 shares of Rs. 10 each)			
Titan Securities Limited	**0.01**		-
(100 shares of Rs. 10 each)		**8.10**	-

Schedules forming part of the Consolidated Accounts

Rupees in lakhs

	As at 31st March, 2008		As at 31st March, 2007
" F " Investments (Contd.)			
Equity Shares- Fully paid - Unquoted			
Innoviti Embeded Solutions P Ltd	**100.00**		-
(800,000 shares of Rs. 10 each)			
The Central India Spinning and Weaving	-		-
(114,663 Shares of Rs 50 each)			
Tata Mills Ltd	-		-
(97,624 Shares of Rs 25 each)			
The Central India Press Ltd	-		-
(400 Shares of Rs 25 each)			
		100.00	-
Others - Fully Paid- Quoted			
6.75% tax free bonds of Unit Trust of India	**74.93**		74.93
Tata Steel Limted -Cumulative convertible Preference Shares	**1.35**		-
5.50% - Rural Electrification Corporation Limited	**50.00**		-
(Non Convertible redeemable Taxable Bonds)			
Trent Limited	**0.13**		-
(25 Non Convertible Debentures of Rs.500 each)			
		126.41	74.93
		234.51	3163.63
Less:			
Provision for dimnution in value of investments		**0.07**	-
		234.44	3163.63
" G " Current assets, loans and advances			
Inventories			
Consumable stores		**381.07**	369.52
Loose tools		**413.30**	382.36
Raw materials and bought-out components		**18657.59**	14119.08
Contract Work in progress		**2156.24**	-
Work in progress		**7398.15**	6985.34
Finished goods		**75390.32**	46070.17
		104396.67	67926.47
Sundry debtors (unsecured)			
Over six months			
Considered good	**727.17**		2282.30
Considered doubtful	**713.28**		550.34
	1440.45		2832.64
Others - considered good	**9202.40**		7461.10
	10642.85		10293.74
Less: Provision for doubtful debts	**713.28**		550.34
		9929.57	9743.40

Schedules forming part of the Consolidated Accounts

			Rupees in lakhs
	As at 31st March 2008		As at 31st March 2007
" G " Current assets, loans and advances (Contd.)			
Cash and bank balances			
Cash on hand	**257.04**		301.07
Cheques on hand	**993.80**		963.36
With scheduled banks - in current accounts	**432.95**		2059.68
- on deposit	**302.51**		-
- in transit	**3552.55**		1779.24
		5538.85	5103.35
Loans and advances			
(unsecured and considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good	**7277.36**		5044.77
Considered doubtful	**5618.70**		6691.71
	12896.06		11736.48
Less : Share of losses of associates (net of investment in equity and preference shares - see schedule F)	-		6691.71
Less : Provision for doubtful loans and advances	**5618.70**		-
	7277.36		5044.77
Tax payments, net of provision	**2186.82**		460.13
Balances with customs and excise authorities	**1022.52**		633.49
		10486.70	6138.39
		130351.79	88911.61
" H " Current liabilities and provisions			
Current liabilities			
Sundry creditors	**65909.94**		46081.09
Share of losses of associates (net of investment in equity, preference shares, loans and advances - see schedule F and G)	-		22.59
Deferred income on group transactions	**452.49**		26.12
Unclaimed dividends	**71.10**		58.51
Other liabilities	**16956.41**		7402.97
Interest accrued but not due on loans	**363.05**		362.68
		83752.99	53953.96
Provisions			
Provision for fringe benefit tax, net of payments	**10.36**		10.82
Proposed dividend on equity shares	**3551.14**		2219.47
Tax on dividends	**603.52**		377.20
Retiring gratuities and pension	**843.48**		863.59
Leave Salaries	**2236.59**		1796.09
Warranties	**230.31**		149.27
		7475.40	5416.44
		91228.39	59370.40

Schedules forming part of the Consolidated Accounts

Rupees in lakhs

		Year ended 31st March, 2008		Year ended 31st March, 2007
"I"	**Other income**			
	Interest from staff loans, vendor advances and bank deposits - gross		**105.83**	194.93
	Rental Income		**0.43**	-
	Interest from Tax free bonds of Unit Trust of India		**5.06**	5.06
	Royalty Income		**147.75**	325.54
	Miscellaneous income		**79.63**	73.15
			338.70	598.68
"J"	**Operating and other expenses**			
	Raw materials and components consumed		**213339.86**	144979.17
	Loose tools, stores and spare parts consumed		**4251.54**	3571.06
	Purchase of finished goods		**25067.51**	13053.21
	Payments to and provisions for employees			
	Salaries and wages	**16622.49**		13766.00
	Company's contribution to Provident and other funds	**844.25**		717.67
	Welfare expenses	**1304.60**		1013.29
	Gratuity	**514.23**		465.65
	Deferred revenue expenditure written off -VRS	**420.69**		1009.84
			19706.26	16972.45
	Other expenses			
	Power and fuel	**1417.71**		1181.32
	Repairs to buildings	**158.31**		130.75
	Repairs to plant and machinery	**625.31**		577.00
	Office and administration expenses	**69.04**		35.49
	Advertising	**15155.10**		13383.85
	Selling and distribution expenses	**4028.67**		3438.16
	Insurance	**300.25**		287.75
	Rent	**3075.29**		1671.04
	Rates and taxes	**5806.62**		6051.54
	Travel	**1467.36**		1229.31
	Deferred revenue expenditure written off - others	-		761.07
	Loss on sale of / disposal of assets	**162.68**		129.70
	Bad debts written off	**3.09**		-
	Provision for doubtful debts	**162.94**		44.01
	Provisoin for doubtful advances	**2.34**		-
	Loss on sale of investments	**780.48**		935.75
	Provisions of earlier years written back	**(1058.99)**		-
	Gold price hedging costs (net)	**5410.20**		(154.90)
	General expenses	**5449.61**		6320.57
			43016.01	36022.41

Schedule forming part of the Consolidated Accounts

				Rupees in lakhs
		Year ended 31st March, 2008		Year ended 31st March, 2007
" J " Operating and other expenses (Contd.)				
Commission to Non Whole-time Directors			**50.00**	35.90
Decrease/(Increase) in work in progress and finished goods				
Closing stocks				
Contract work in progress	2156.24			-
Work in progress	7398.15			6985.34
Finished goods	75390.32			46070.17
		84944.71		53055.51
Opening stocks				
Contract work in progress				
(On associate becoming a subsidiary)	2156.24			-
Work in progress	6985.34			5456.62
Finished goods	46070.17			23019.39
		55211.75		28476.01
			(29732.96)	(24579.50)
			275698.22	190054.70
Less : Expenses capitalised			**2.02**	52.28
			275696.20	190002.42

Schedule forming part of the Consolidated Accounts

"K" Notes to the accounts

1. Basis of Consolidation:

The Consolidated Financial Statements comprise the financial statements of Titan Industries Limited (the Company) and its subsidiaries (Titan Group). The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements and AS 23 on Accounting for Investments in Associates in Consolidated Financial Statements notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.

During 2006-07, the Company had approved a scheme of amalgamation/merger of three of its domestic Associate Companies, viz Samrat Holdings Limited, Titan Holdings Limited and Questar Investments Limited as transferor companies and it was intended that the Company would issue its own shares to the minority shareholders of the transferor companies at the time of merger. Instead, during the current year, the Company has bought out the minority shareholders, and the three transferor companies became subsidiaries of the Company with effect from 18 February, 2008. The combined shareholding of the Company and the above subsidiaries have resulted in three other domestic Associate companies, viz Tanishq (India) Limited, Titan Properties Limited and Titan Mechatronics Limited becoming deemed subsidiaries of the Company with effect from 18 February, 2008.

Over the last several years, the Company has progressively reduced its overseas exposure and during the current year, the Company divested its stake in the two overseas subsidiaries, viz Titan International Holdings B.V. (TIHBV) and Titan Brand Holdings N.V. (TBHNV). While the disinvestment of TBHNV was completed on 28 March, 2008, the disinvestment of TIHBV took place earlier on 31 December, 2007, and, as a result, all the other overseas companies, viz Titan International Investments B.V. (TIIBV), Titan International Marketing Limited (TIML), Rockbourne Holding B.V. (RHBV), Titan Watches and Jewellery International (Asia Pacific) Pte Limited (TAPL) and Titan International (Middle East), FZE (TIME) have ceased to be associates of the Company from the above dates.

The list of subsidiary companies which are included in the consolidation and the parent company's holdings therein are as under:

Name of the company	Country of incorporation	Ownership interest	
		31.3.2008	31.3.2007
Titan TimeProducts Limited	India	**100%**	100%
Samrat Holdings Limited (*)	India	**100%**	49.98%
Questar Investments Limited (*)	India	**100%**	25.00%
Titan Holdings Limited (*)	India	**100%**	49.66%
Titan Properties Limited (*)	India	**99.99%**	29.85%
Titan Mechatronics Limited (*)	India	**99.99%**	9.82%
Tanishq (India) Limited (*)	India	**99.99%**	0.78%
(*became a subsidiary on 18 February, 2008)			
TIHBV (ceased to be a subsidiary on 31 December, 2007)	Netherlands	-	100%
Titan Watch Company Limited (TWCL) (100% held by TIHBV - ceased to be a subsidiary on 31 December 2007)	Hong Kong	-	100%
TBHNV (87.50% held by Titan Industries Limited, 12.50% by TWCL - ceased to be a subsidiary on 28 March, 2008)	West Indies	-	100%

The financial statements of the subsidiaries included in the consolidation are drawn up to the same reporting date as that of the parent company i.e. 31 March, 2008. Financial statements of all subsidiaries included in consolidation are audited except for TWCL.

Schedule forming part of the Consolidated Accounts

The following associate companies, which were associates of the Company upto 31 December, 2007 are considered in consolidation based on equity method as provided in AS 23 and the Company's ownership interest therein was as under:

Sr. No.	Name of the company	Ownership interest	
		31.03.2008	31.03.2007
1.	TIIBV (19% held by TIHBV)	-	19.00%
2.	TIML (68.75% held by TIIBV)	-	13.06%
3.	RHBV (19% held by TIIBV)	-	3.61%
4.	TAPL (100% held by RHBV)	-	3.61%
5.	TIME (100% held by RHBV)	-	3.61%

The voting power held in the associate companies is nil (Previous year: 19% in TIIBV). The financial statements of the above associate companies considered in consolidation are drawn up to the date of disinvestment of TIHBV, viz 31 December, 2007 (previous year upto the same reporting date as that of the parent company i.e. 31 March, 2007). Financial statements of all associate companies included in consolidation are audited upto 31 December, 2007 (previous year upto 31 March, 2007, except for TIML which was audited upto 31 December, 2006, however, effect was given to unaudited financial statements upto 31 March, 2007).

2. The particulars of investments made in associate companies as on 31 March, 2008 are as follows:

(Previous year figures are in brackets)

Rupees in Lakhs

Sl. No.	Name of the Associate	Original Cost of Investments	Amount of Goodwill / (-) Capital Reserve in Original Cost	Share of post acquisition reserves and surplus	Carrying cost of investments
a.	Tanishq (India) Ltd.	- (1.50)	- (-)	- (1.71)	- (3.21)
b.	Titan Properties Ltd.	- (10.00)	- (-)	- (-0.89)	- (9.11)
c.	Titan Mechatronics Ltd.	- (0.50)	- (-)	- (0.65)	- (1.15)
d.	Titan Holdings Ltd.	- (40.15)	- (-8.65)	- (50.21)	- (90.36)
e.	Questar Investments Ltd.	- (18.00)	- (-)	- (111.71)	- (129.71)
f.	Samrat Holdings Ltd.	- (2269.76)	- (337.36)	- (585.40)	- (2855.16)
g.	Titan International Investments B. V.	- (5546.69)	- (103.83)	- (-5546.69)*	- (-)
	Total	- (7886.60)	- (432.54)	- (-4797.90)	- (3088.70)

*Share of loss restricted to the original cost of investment (see Schedules G and H)

3. Accounting policies:

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

i. Revenue recognition: Revenue from sale of goods is recognised when the goods are despatched from the factory/stock points to customers.

   Income from royalty is recognised on an accrual basis.

Schedule forming part of the Consolidated Accounts

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

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

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

In line with Accounting Standard 19 on 'Leases', fixed assets acquired through 'finance lease' transactions have been capitalised.

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

Computers	-	depreciated @ 25% instead of 16.21%
Vehicles	-	depreciated @ 25% instead of 9.50%
Leased assets	-	depreciated over the primary lease period.

iv. Amortisation: Trade marks are amortised over a period of 120 months from the month of acquisition.

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

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

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

Translation adjustment on consolidation of foreign subsidiaries is recognised in the Profit and Loss Account.

vi. Hedging transactions: The Company enters into forward contracts to hedge its exposure to movements in gold rates. All such forward contracts are supported by an underlying transaction and are not for trading or speculative purposes. The use of these forward contracts reduces the risk to the Company. The net cost arising out of such forward contracts is recognised in the Profit and Loss Account.

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

Investments in associate companies are valued as per equity method.

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

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

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

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

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

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

xi. Employee Benefits:

Short-term employee benefits

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

Schedule forming part of the Consolidated Accounts

Defined Contribution Plan

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

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

Defined Benefit Plan

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

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

xii. Deferred revenue expenditure: Compensation paid/payable to employees who have opted for retirement under the Voluntary Retirement Scheme (VRS) of the Company is amortised over a period of 60 months.

xiii. Deferred Taxation: Deferred taxation is accounted for on the liability method by computing the tax effect of timing differences which arise during the year and reversed during subsequent periods.

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

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

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

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

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

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

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

4. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.1807.08 lakhs (2007: Rs.1912.62 lakhs).

5. (a) Provision for warranty – Rs. 230.31lakhs (2007: Rs. 149.27 lakhs).

The Company gives warranty on all products except jewellery, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows and determined based on past experience. No reimbursements are expected. Additional provision made and utilised/reversed during the year is Rs.191.24 lakhs (2007: Rs.121.71 lakhs) and Rs.110.20 lakhs (2007: Rs.115.34 lakhs) respectively.

(b) Contingent liabilities not provided for – Rs. 4267.01 lakhs (2007 : Rs. 5699.27 lakhs) comprising of the following :

Sales Tax – Rs. 1179.52 lakhs (2007 : Rs. 812.31 lakhs)
(relating to applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

Schedule forming part of the consolidated accounts

Customs Duty – Rs. 316.94 lakhs (2007: Rs. 1420.11. lakhs)
(relating to compliance with the terms of notification, end use of materials cleared at the lower rate of duty)

Excise Duty – Rs. 2426.58 lakhs (2007: Rs. 2414.91 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of assessable value)

Income Tax – Rs. 274.28 lakhs (2007: Rs. 986.19 lakhs)
(relating to disallowance of deductions claimed and Transfer Pricing adjustments)

Others – Rs. 69.69 lakhs (2007: Rs. 65.75 lakhs)
(relating to miscellaneous claims)

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

6. In terms of the Letter of Offer, out of the Rights Issue proceeds of Rs. 12678.23 lakhs, Rs. 4362.22 lakhs (2007 : Rs. 8316.01 lakhs) have been spent towards the objects of the issue during the year, setting up of new showrooms and upgradations and expansions of existing showrooms Rs. 1803.12 lakhs (2007: Rs. 1711.14 lakhs), replacement, refurbishing and expansion of the watch manufacturing facilities Rs. 1041.13 lakhs (2007: Rs. 1381.03 lakhs), expansion of jewellery making facilities Rs.492.34 lakhs (2007 : Rs. 466.83 lakhs), expansion of precision engineering manufacturing facilities Rs. 1025.63 lakhs (2007 : Rs. 539.46 lakhs) and redemption of preference shares and general corporate purposes Rs.Nil (2007: Rs. 4217.55 lakhs).

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

8. The term loans from banks shown under secured loans include :

   a) Loan of Rs.500.00 lakhs (2007: Rs.3460.55 lakhs) secured by a first charge by way of hypothecation of movable assets (save and except current assets and assets taken on lease) and by way of an equitable mortgage of immovable properties of the Company, both present and future.

   b) Loan of Rs. 5000.00 lakhs (2007: Rs.Nil lakhs) secured by a first charge by way of hypothecation of movable assets (save and except current assets) and to be secured by way of an equitable mortgage of immovable properties of the Company, both present and future.

9. Non-fund based facilities availed of Rs. 24425.09 lakhs (2007: Rs. 20843.09 lakhs) from banks are secured by a first charge by way of hypothecation of current assets including book debts and inventories, both present and future.

10. The security covered under notes 7 and 8 above rank *pari passu.* The security covered under note 9 above rank *pari passu* with the security for the cash credit facility.

11. Exchange gain (net), included in the Profit and Loss Account is Rs. 2568.49 lakhs (2007: Gain Rs. 1052.62 lakhs).

12. Sales includes sale of scrap Rs. 593.31 lakhs (2007: Rs. 599.37 lakhs), sale of accessories Rs.5824.44 lakhs (2007: Rs.5259.18 lakhs), sale of tools and components Rs. 63.01 lakhs (2007: Rs. 117.56 lakhs), sale of precious stones Rs.1457.09 lakhs (2007: Rs. 1283.89 lakhs), income from services provided Rs.181.09 lakhs (2007 : Rs. 138.97 lakhs) and is net of turnover based commission of Rs. 5195.49 lakhs (2007: Rs. 4105.79 lakhs) and all discounts, including cash discount of Rs.515.18 lakhs (2007 : Rs.417.46 lakhs).

13. Interest expense disclosed in the Profit and Loss Account is net of Rs.275.47 lakhs (2007: Rs.380.40 lakhs) being interest income on loans and advances.

14. The Directors' remuneration of Rs. 201.14 lakhs (2007: Rs. 156.55 lakhs), excluding provision for encashable leave and gratuity as separate actuarial valuation is not available, comprises of payments to the Managing Director which is inclusive of contribution to provident and other funds Rs. 7.29 lakhs (2007: Rs. 6.16 lakhs), perquisites Rs.36.85 lakhs (2007: Rs. 31.69 lakhs), commission of Rs. 80 lakhs (2007: Rs. 60.00 lakhs) and commission to non whole-time directors of Rs. 50.00 lakhs (2007: Rs. 35.90 lakhs).

Schedule forming part of the Consolidated Accounts

15. Fixed assets include vehicle acquired on finance lease, the details of which are as under:

		Rupees in lakhs 2008	2007
(a)	Cost of vehicles	**260.40**	299.59
(b)	Vehicles acquired during the year	**-**	-
(c)	Net carrying amount	**72.85**	145.43

(d) The total of minimum lease payments and their present value outstanding at the Balance Sheet date in respect of finance leases for each of the following periods are as below:

Rupees in lakhs

	Minimum Lease Payments outstanding	Present value of Minimum Lease Payments outstanding
Not later than one year	**51.16** (2007: 79.45)	**38.88** (2007: 63.47)
Later than one year and not later than five years	**3.84** (2007: 58.88)	**3.14** (2007: 44.36)

The above relates to finance leases relating to vehicles taken on lease. There are no contingent rents payable. The lease rentals payable are fixed/variable as the case may be. The lease tenor is of 48 months. There are no escalation clauses. There are termination options/purchase options during the period of lease and in certain cases, there are renewal options at the end of the fixed non-cancellable period of the lease. In case of renewal, the lease is reviewed on a year to year basis with the same terms and conditions except with revised amount of monthly fixed rentals.

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

		Rupees in lakhs 2008	2007
i)	For a period not later than one year	**2568.96**	1184.67
ii)	For a period later than one year and not later than five years	**4166.63**	1830.10
iii)	For a period later than five years	**206.60**	-
	Total	**6942.19**	3014.77

(b) The Company has taken the above operating lease for a non-cancellable period of 1 year to 9 years. The leases are renewable by mutual consent.

(c) Lease rentals recognised in the statement of Profit and Loss Account in respect of the above operating lease is Rs.1930.31 lakhs (2007: Rs. 811.64 lakhs).

17. Sundry creditors include Rs. 33.91 lakhs (2007: Rs. 82.19 lakhs) towards liability for lease of vehicles which falls due later than one year; and (ii) Rs. Nil (2007 : Rs. 42.74 lakhs) of acceptances.

18. Employee Benefits:

a. Defined Contribution Plans

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

Defined Contribution Plan	Rupees in lakhs 2008	2007
Superannuation Fund	**174.15**	146.32
Employee Pension Fund (EPF)	**216.34**	201.06
Provident Fund	**15.56**	14.83
Total	**406.05**	362.21

Schedule forming part of the Consolidated Accounts

b. Defined Benefit Plans

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

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

The gratuity benefit of a subsidiary is not funded.

The following table sets out the status and amounts recognised in the Titan Group's financial statements as at 31 March, 2008 for Gratuity.

Defined Benefit Plan - Gratuity as per actuarial valuation as at 31 March, 2008

Rupees in lakhs

			2008	2007
I	Net Asset/Liability recognised in the Balance Sheet as at 31 March			
	1	Present value of funded obligations – A	**3434.40**	2856.47
	2	Fair Value of Plan Assets – B	**(2877.94)**	(2225.79)
	3	(Deficit)/surplus – (A-B)	**(556.46)**	(630.68)
	4	Net Asset/Liability		
		- Assets		-
		- Liabilities	**556.46**	630.68
II	Expense recognised in the Profit and Loss Account			
	1	Current Service Cost	**233.82**	195.13
	2	Interest on Defined Benefit Obligation	**223.10**	179.99
	3	Expected Return on Plan Assets	**(166.74)**	(150.85)
	4	Net Actuarial Losses/ (Gains) recognised during the year	**224.05**	241.38
	5	Past Service Cost	**-**	-
		Total Expense recognised under the head "Payments to and provisions for employees Refer Schedule J"	**514.23**	465.65
III	Change in present value of obligation during the year ended 31 March			
	1	Opening Defined Benefit Obligation	**2856.47**	2437.96
	2	Service Cost	**233.82**	195.13
	3	Interest Cost	**223.10**	179.99
	4	Actuarial Losses/ (Gains)	**228.34**	134.53
	5	Benefits Paid	**(107.33)**	(91.14)
	6	Closing Defined Benefit Obligation	**3434.40**	2856.47
IV	Change in fair value of Plan Assets during the year ended 31 March			
	1	Opening fair value of Plan Assets	**2225.79**	2005.77
	2	Expected Return	**166.74**	150.85
	3	Actuarial Losses/ (Gains)	**4.29**	(106.85)
	4	Assets distributed on settlements	**-**	-
	5	Contributions by employer	**587.20**	267.16
	6	Benefits Paid	**(106.08)**	(91.14)
	7	Closing fair value of Plan Assets	**2877.94**	2225.79
		Actual Return on Plan Assets	**171.03**	44.00

Schedule forming part of the Consolidated Accounts

Rupees in lakhs

		2008	2007
V	The major categories of Plan Assets as a percentage of total Plan Assets		
	1 Government of India Securities	**41%**	41%
	2 Corporate bonds	**51%**	52%
	3 Others	**8%**	7%
VI	Principal actuarial assumptions as at 31 March, 2007		
	Discount Rate	**8.00% p.a**	8.10% p.a
	Expected Rate of Return on Plan Assets	**7.50% p.a**	7.50% p.a
VII	The employees are assumed to retire at the age of 58 years.		
VIII	The mortality rates considered are as per the published rates in the LIC (1994-96) mortality tables.		

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

Expected rate of return on plan assets is based on average yield on investments.

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

Other Long-term benefits

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

Rupees in lakhs

	Liability as on 31.03.2008	Liability as on 31.03.2007
Compensated absences/Leave salary	**2236.59**	1796.09
Pension	**287.02**	232.91

19. Deferred revenue expenditure (to the extent not written off or adjusted) comprises of the following:

Rupees in lakhs

	2008	2007
Compensation to employees under VRS	-	420.69

20. Goodwill on consolidation of Rs. 304.87 lakhs arising on associates becoming subsidiaries is fully amortised during the year.

21. a) The financial position and results of TIHBV and TWCL (subsidiaries upto 30 December, 2007) and TBHNV (subsidiary upto 28 March, 2008) included in the consolidated financial statements is as under:

Rupees in lakhs

Particulars	**TIHBV**	**TWCL**	**TBHNV**	**Total**
Profit/(Loss) After Tax	(3.20)	-	(10.69)	(13.89)
Profit/(Loss) on disposal of Investment in subsidiaries	(768.50)	(0.56)	(11.42)	(780.48)
Total Assets	-	-	-	-
Total Liabilities	-	-	-	-

Schedule forming part of the Consolidated Accounts

b) The financial position and results of the associates that became subsidiaries from 18 February, 2008 is as under:

Rupees in lakhs

Name of the Company	Total Assets as on 31.03.2008	Total Liabilities on 31.03.2008	Profit/Loss After Tax from 18.02.2008 to 31.03.2008
Samrat Holdings Limited	6272.09	6272.09	93.01
Titan Holdings Limited	1420.56	1420.56	(1.72)
Questar Investments Limited	541.03	541.03	5.31
Titan Properties Limited	2236.14	2236.14	0.58
Titan Mechatronics Limited	14.22	14.22	0.15
Tanishq (India) Limited	795.23	795.23	0.39

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

Rupees in lakhs

	As at 31.03.2007	On an Associate becoming a subsidiary	Tax effect for the year	**As at 31.03.2008**
Deferred Tax (Liability)				
Fixed Assets	(3521.81)	-	(260.92)	(3782.73)
Sub Total	**(3521.81)**	**-**	**(260.92)**	**(3782.73)**
Deferred Tax Asset				
Provision for doubtful debts	379.81	9.06	(146.51)	242.36
Disallowances under Section 43B	366.29	0.24	(322.78)	43.75
Provision for leave salary/gratuity	662.77	-	40.72	703.49
Deferred revenue expenditure	305.13	-	(38.50)	266.63
Business Loss		4.53	0.42	4.95
Sub Total	**1714.00**	**13.83**	**(466.65)**	**1261.18**
Net Deferred Tax Asset/(Liability)	**(1807.81)**	**13.83**	**(727.57)**	**(2521.55)**

23. Related party disclosures :

Names of related parties and description of relationship:

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

b) Associates : Questar Investments Ltd. (upto 17 February, 2008)
Titan Holdings Ltd. (upto 17 February, 2008)
Samrat Holdings Ltd. (upto 17 February, 2008)
Titan International Marketing Ltd. (upto 30 December, 2007)
Tanishq (India) Ltd. (upto 17 February, 2008)
Titan Properties Ltd. (upto 17 February, 2008)
Titan Mechatronics Ltd. (upto 17 February, 2008)
Titan International (Middle East) FZE (upto 30 December, 2007)
Titan International Investments B. V. (upto 30 December, 2007)
Rockbourne Holding B. V. (upto 30 December, 2007)
Titan Watches and Jewellery International (Asia Pacific) Pte Ltd. (upto 30 December, 2007)

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

Schedule forming part of the Consolidated Accounts

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

(Previous year figures are in brackets)

Rupees in lakhs

Sl. No.	Nature of transaction	Promoters	Associates	Key Management Personnel	Total
1	Purchase of components and finished goods	- (-)	1502.51 (-)	- (-)	1502.51 (-)
2	Sale of components and finished goods	20.64 (4.81)	91.69 (107.81)	- (-)	112.33 (112.62)
3	Royalty Income	- (-)	147.75 (325.54)	- (-)	147.75 (325.54)
4	Reimbursement of expenses	0.19 (1.10)	- (-)	- (-)	0.19 (1.10)
5	Interest income	- (-)	112.15 (380.40)	- (-)	112.15 (380.40)
6	Interest expense	37.34 (-)	251.98 (226.89)	- (-)	289.32 (226.89)
7	Rent paid	35.33 (36.61)	- (-)	- (-)	35.33 (36.61)
8	Dividend received	- (-)	- (56.80)	- (-)	- (56.80)
9	Dividend paid	815.56 (478.25)	- (28.11)	- (-)	815.56 (506.36)
10	Commission and sitting fees to non whole-time directors	16.70 (17.55)	- (-)	- (-)	16.70 (17.55)
11	Intercorporate deposits taken	- (-)	367.00 (6075.00)	- (-)	367.00 (6075.00)
12	Intercorporate deposits repaid	- (-)	345.00 (3570.00)	- (-)	345.00 (3570.00)
13	Subscription to preference shares	- (-)	(-) (1710.92)	- (-)	(-) (1710.92)
14	Preference Shares allotted	- (-)	- (1940.00)	- (-)	- (1940.00)
15	Preference Shares redeemed	- (-)	- (4000.00)	- (-)	- (4000.00)
16	Brand equity subscription	503.55 (340.98)	- (-)	- (-)	503.55 (340.98)
17	Rendering of services	29.89 (42.16)	- (-)	- (-)	29.89 (42.16)
18	Managerial remuneration	- (-)	- (-)	151.14 (120.65)	151.14 (120.65)
19	Loans (net) (-) repaid / disbursed	- (-)	- (-7692.33)	- (-)	- (-7692.33)

Schedule forming part of the Consolidated Accounts

(Previous year figures are in brackets) Rupees in lakhs

Sl. No.	Nature of transaction	Promoters	Associates	Key Management Personnel	Total
20	Advertising/Trademark advances (net) (-) repaid/reimbursed	- (-)	- (-630.63)	- (-)	- (-630.63)
21	Advances recovered	- (-)	(-)39.98 (96.00)	- (-)	(-)39.98 (96.00)
22	Acquisition of trademarks	- (-)	- (6327.11)	- (-)	- (6327.11)
23	Sale of investments – Equity Shares	- (-)	5.85 (1189.88)	- (-)	5.85 (1189.88)
24	Purchase of investments – Equity Shares	935.57 (-)	501.27 (2125.62)	- (-)	1436.84 (2125.62)

The above includes the following material related party transactions:

(Previous year figures are in brackets) Rupees in lakhs

Nature of transaction	Category	Name	Amount
(a) Purchase of components and finished goods	Associate	Titan International (Middle East) FZE.	1236.72 (-)
	Associate	Titan Watches and Jewellery International (Asia Pacific) Pte Ltd.	265.79 (-)
(b) Sale of components and finished goods	Associate	Titan International (Middle East) FZE.	87.48 (106.51)
(c) Royalty Income	Associate	Titan International Marketing Ltd.	147.75 (206.38)
	Associate	Titan International (Middle East) FZE.	(-) (115.56)
(d) Interest Income	Associate	Titan International Investments B. V.	- (39.28)
	Associate	Rockbourne Holding B. V.	- (325.98)
(e) Interest Expense	Associate	Samrat Holdings Limited	239.44 (218.03)
(f) Dividend Paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	618.69 (371.22)
	Promoters	Tata Sons Ltd.	196.87 (107.03)

Schedule forming part of the Consolidated Accounts

(Previous year figures are in brackets) Rupees in lakhs

Nature of transaction	Category	Name	Amount
(g) Intercorporate deposits taken	Associate	Samrat Holdings Ltd.	360.00 (5090.00)
	Associate	Questar Investments Ltd.	5.00 (310.00)
	Associate	Tanishq (India) Ltd.	- (200.00)
	Associate	Titan Holdings Ltd.	2.00 (470.00)
(h) Intercorporate deposits repaid	Associate	Samrat Holdings Ltd.	210.00 (2810.00)
	Associate	Questar Investments Ltd.	53.00 (255.00)
	Associate	Titan Holdings Ltd.	77.00 (405.00)
(i) Investments made	Associate	Titan Watches and Jewellery International (Asia Pacific) Pte Ltd.	- (2125.62)
(j) Investments sold	Associate	Titan Watches and Jewellery International (Asia Pacific) Pte Ltd.	- (1189.88)
	Associate	Titan Holdings Ltd.	- (650.00)
(k) Purchase of Investments - preference shares	Associate	Titan International Investments B. V.	- (395.73)
(l) Subscription to Preference Shares	Associate	Titan International Marketing Ltd.	- (1710.92)
(m) Preference Shares allotted	Associate	Samrat Holdings Ltd.	- (1940.00)
(n) Preference Shares redeemed	Associate	Samrat Holdings Ltd.	- (3940.00)
(o) Brand equity subscription	Promoters	Tata Sons Ltd.	503.55 (340.98)
(p) Loans (net) (-) repaid/disbursed	Associate	Titan International Marketing Ltd.	- (652.57)
	Associate	Titan International (Middle East) FZE	- (161.84)
	Associate	Titan International Investments B. V.	- (-1621.79)
	Associate	Rockbourne Holding B. V.	- (-6869.83)

Schedule forming part of the Consolidated Accounts

(Previous year figures are in brackets) Rupees in lakhs

Nature of transaction	Category	Name	Amount
(q) Advertising/Trademarks advances (net) (-) repaid/reimbursed	Associate	Titan International Marketing Ltd.	- (-630.63)
(r) Acquisition of trademarks	Associate	Rockbourne Holding B. V.	- (6327.11)
(s) Purchase of Investments – Equity Shares	Promoters	Tata Sons Ltd.	935.57 (-)
	Associate	Tanishq (India) Ltd.	498.41 (-)

Balance as on Balance Sheet date

Rupees in lakhs

	Promoters	Associates	Key Management Personnel	Total
Debit balance	- (-)	- (5751.80)	- (-)	- (5751.80)
Credit balance	487.34 (307.52)	- (4869.98)	83.27 (62.76)	570.61 (5240.26)

24. Earnings per share :

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

Rupees in lakhs

			For the year ended 31.03.2008	For the year ended 31.03.2007
a)	**Net profit**		**14756.37**	9986.05
	Less: i)	**Dividend on preference shares**	-	38.95
	ii)	**Dividend tax on preference shares**	-	5.46
			14756.37	9941.64
b)	**Weighted average number of equity shares**		**4,43,89,309**	4,41,51,953
c)	**i)**	**Nominal value of shares (Rs.)**	**10.00**	10.00
	ii)	**Earnings per share - Basic and diluted** (Rs.)	**33.24**	22.52

Schedule forming part of the Consolidated Accounts

25. Segment information for the year ended 31 March, 2008

a. Primary Business Segments

(Previous year figures are in brackets) Rupees in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue					
Net sales/income	87902	202629	9157	-	299688
(There is no inter-segment revenue)	(73831)	(128980)	(6254)	(-)	(209065)
Result					
Before interest, other income, taxes and share of profits/(-) losses of associates	12300 (10269)	10827 (8596)	-1438 (-1129)	-1029 (-1275)	20660 (16461)
Add : Other Income	269 (369)	47 (106)	5 (4)	18 (120)	339 (599)
Share of profits/(-) losses of Associates	1088 (-1575)	- (-)	- (-)	12 (416)	1100 (-1159)
Profit/(-) Loss before interest and taxes	13657 (9063)	10874 (8702)	-1433 (-1125)	-999 (-739)	22099 (15901)
Less : Interest (net)					2081 (2124)
Profit before taxes					20018 (13777)
Taxes					5262 (3791)
Net Profit					14756 (9986)
Other Information					
Segment Assets	50481 (50113)	93527 (58111)	10016 (7816)	5334 (3625)	159358 (119665)
Segment Liabilities	17109 (15654)	63440 (39533)	2961 (1251)	7718 (2932)	91228 (59370)
Capital expenditure	1943 (7525)	1574 (478)	1359 (2157)	305 (-)	5181 (10160)
Depreciation/Amortisation	1878 (1638)	690 (534)	422 (347)	342 (82)	3332 (2601)
Non Cash expenses other than depreciation / amortisation	364 (1508)	147 (202)	45 (69)	6 (36)	562 (1815)

b. Secondary Geographical Segments

Rupees in lakhs

	India	Others	Total
Revenue	285448 (197459)	14240 (11606)	299688 (209065)
Segment Assets	155561 (114338)	3797 (5327)	159358 (119665)
Capital expenditure	5102 (10150)	79 (10)	5181 (10160)

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

Schedule forming part of the Consolidated Accounts

26. a) Figures pertaining to subsidiary companies have been reclassified, where necessary, to bring them in line with the parent company's financial statements.

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

Signature to Schedules "A" to "K"

For and on behalf of the Board of Directors,

For **A. F. Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

K. F. Kapadia
Executive Vice President - Finance

Bhaskar Bhat
Managing Director

Usha Iyengar
Company Secretary

Ishaat Hussain
S. Ramasundaram
Nihal Kaviratne
C. G. Krishnadas Nair
S. Susai
Directors

Bangalore, 25th April, 2008

FINANCIAL STATISTICS

FINANCIAL YEAR

Rs. in crores

BALANCE SHEET	1987-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Share Capital - Equity	23.95	23.96	26.84	26.84	26.84	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	42.28	44.39	44.39
Share Capital - Preference								7.50	10.00	33.00	37.50	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00		
Reserves and Surplus	0.21	1.38	2.11	6.42	12.15	77.82	86.34	98.74	111.46	117.25	115.73	116.07	118.56	125.09	82.42	80.19	82.85	94.97	150.30	283.06	391.78
Deferred tax liability															44.58	41.59	35.14	29.32	23.75	17.44	24.71
Loans	37.76	42.45	57.86	66.52	75.46	114.43	151.15	191.63	303.34	368.14	381.80	395.48	409.92	422.01	443.28	467.05	406.71	318.02	267.92	247.01	257.89
SOURCES OF FUNDS - Total	61.92	67.79	86.81	99.78	114.45	234.53	279.77	340.15	467.08	560.67	577.31	593.83	610.76	629.38	652.56	671.11	606.98	524.59	524.25	591.89	718.77
Net fixed assets	53.76	60.34	79.66	86.09	95.20	131.37	166.65	205.91	229.67	232.86	238.38	236.63	223.80	211.16	200.90	191.75	177.36	174.91	196.02	267.12	282.45
Investments	0.03	0.06	0.06	0.06	0.06	0.06	14.92	21.82	28.32	27.00	27.00	27.00	25.12	23.09	24.62	37.09	27.58	27.02	27.02	27.02	47.39
Inventories	8.17	14.94	29.93	62.65	71.63	86.39	101.85	112.07	152.54	226.19	172.67	172.19	183.44	146.23	124.82	141.92	164.12	271.62	374.39	677.48	1,021.09
Debtors	0.24	2.41	3.27	4.03	5.65	14.06	14.32	33.58	77.85	78.10	83.25	101.40	121.05	159.04	207.75	186.38	148.16	77.09	90.12	92.06	96.45
Cash and bank balances	3.34	2.38	0.96	2.22	1.70	8.50	12.65	9.63	13.85	4.58	7.64	5.04	17.53	27.51	17.33	23.99	26.85	44.01	38.29	50.73	51.91
Loans and Advances	5.16	2.41	4.51	10.38	15.95	30.19	18.61	18.93	43.89	68.42	106.47	121.45	115.48	150.67	197.40	217.08	193.69	172.14	143.96	65.54	99.17
Total Current Assets	16.91	22.14	38.67	79.28	94.93	139.14	147.43	174.21	288.13	377.29	370.03	400.08	437.50	483.45	547.30	569.37	532.82	564.86	646.76	885.81	1,268.62
Less: Current Liabilites & Provisions	8.78	14.75	31.58	65.65	75.74	36.04	49.23	61.79	79.04	76.48	58.10	69.88	79.93	91.52	126.45	173.27	164.09	266.60	359.86	592.26	879.70
Net Current Assets	8.13	7.39	7.09	13.63	19.19	103.10	98.20	112.42	209.09	300.81	311.93	330.20	357.57	391.93	420.86	396.10	368.73	298.26	286.91	293.55	388.93
Deferred revenue expenditure													4.27	3.20	6.18	46.17	33.31	24.40	14.31	4.21	-
APPLICATION OF FUNDS - Total	61.92	67.79	86.81	99.78	114.45	234.53	279.77	340.15	467.08	560.67	577.31	593.83	610.76	629.38	652.56	671.11	606.98	524.59	524.25	591.89	718.77

PROFIT & LOSS ACCOUNT	1987-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Sales volumes (nos in lakhs)																					
Watches	3.44	5.13	12.52	18.33	22.42	25.75	28.07	32.58	38.75	39.45	43.53	51.11	58.54	66.76	61.77	60.02	68.38	73.19	83.36	89.64	102.86
Jewellery								0.09	0.20	0.37	1.20	1.68	3.00	7.21	6.05	13.72	8.70	4.32	5.70	7.20	11.39
Clocks, sunglasses, etc.									0.67	3.64	3.05	4.30	3.29	1.62	0.51	0.41	2.39	4.84	5.05	5.29	6.97
Sales Income	16.80	27.59	74.06	106.26	155.01	191.21	226.23	282.49	350.72	408.52	442.06	482.04	630.33	696.90	724.78	797.90	958.52	1,134.66	1,481.37	2,136.46	3,041.09
Expenditure	16.40	21.09	59.02	79.29	119.94	156.25	183.78	223.93	276.19	320.73	357.20	393.48	550.62	614.19	639.32	726.03	862.49	1,019.50	1,327.42	1,938.01	2,790.70
Interest	1.36	3.51	6.51	11.82	17.72	18.46	16.16	21.80	34.22	56.40	52.96	51.92	50.88	47.84	46.27	41.35	37.62	30.92	24.84	20.42	20.14
Depreciation/Amortisation	0.85	2.16	3.98	6.57	6.74	7.23	9.78	13.11	15.68	16.52	18.82	20.14	20.40	20.93	23.28	21.14	21.47	19.61	19.66	25.59	29.73
Operating Profit	(1.81)	0.83	4.55	8.58	10.61	9.27	16.51	23.65	24.63	14.87	13.08	16.50	8.43	13.94	15.91	9.38	36.94	64.63	109.45	152.44	200.53
Add: Other Income	2.11	0.45	0.56	0.52	0.49	1.60	2.58	1.44	2.94	12.93	3.16	2.41	13.01	11.63	2.24	10.40	2.09	2.73	2.43	3.22	1.77
Less: Exceptional Item																(10.00)	(25.00)	(35.00)	(25.00)	(24.00)	
Profit Before Taxes	0.30	1.28	5.11	9.10	11.10	10.87	19.09	25.09	27.57	27.80	16.24	18.91	21.44	25.57	18.16	9.78	14.03	32.36	86.88	131.65	202.30
Taxes	0.04	0.21	0.78							3.58	1.60	1.87	2.16	2.09	5.06	3.57	2.84	7.41	13.26	37.52	52.04
Profit After Taxes	0.26	1.07	4.33	9.10	11.10	10.87	19.09	25.09	27.57	24.22	14.64	17.04	19.28	23.48	13.09	6.21	11.19	24.95	73.62	94.13	150.27
Equity Dividend (%)			15%	18%	20%	22%	25%	30%	33%	33%	25%	26%	26%	26%	15%	10%	10%	20%	30%	50%	80%
Equity Dividend (Rs.)			3.60	4.83	5.37	6.89	10.57	12.69	13.95	13.95	10.57	10.99	10.99	10.99	6.34	4.23	4.23	8.46	13.32	22.19	35.51
Employee costs (excluding VRS)	1.03	1.56	3.98	6.24	8.19	12.84	17.89	22.62	32.20	48.13	48.91	54.04	72.17	74.07	76.32	71.57	84.98	95.73	109.13	157.04	189.16
% to Sales Income	6.1%	5.7%	5.4%	5.9%	5.3%	6.7%	7.9%	8.0%	9.2%	11.8%	11.1%	11.2%	11.4%	10.6%	10.5%	9.0%	8.9%	8.4%	7.4%	7.4%	6.2%
Advertising	1.85	2.07	5.61	8.38	9.52	13.16	16.06	20.22	29.62	36.01	20.04	27.36	41.69	40.10	36.55	47.44	59.82	76.89	101.31	133.82	151.55
% to Sales Income	11.0%	7.5%	7.6%	7.9%	6.1%	6.9%	7.1%	7.2%	8.4%	8.8%	4.5%	5.7%	6.6%	5.8%	5.0%	5.9%	6.2%	6.8%	6.8%	6.3%	5.0%

NOTES

FORM 2B

(See rules 4 CCC and 5D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

I / We, ______________________________ the holder (s) of Shares / Debentures bearing Folio / Receipt Number______________ and accruals thereon of Titan Industries Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares / debentures shall vest in the event of my/ our death.

Name and address of the Nominee

Name : ______________________________

Address : ______________________________

______________________________ Pin code: ______________

Date of Birth* : ______________
(to be furnished in case the nominee is minor)

____
Signatue of Nominee (Optional)

* The nominee is a minor whose Guardian is :

Name and Address of Guardian______________________________

____

____

Signature(s) of Holder(s)

Signature : ______________ (1st Holder)	Signature : ______________ **(1st Joint holder, if any)**
Name : ______________	Name : ______________
Address : ______________ ______________	Address : ______________ ______________
Date : ______________	Date : ______________

Signature of Two Witnesses

	Name and Address	**Signature with Date**
1.		
2.		

Instructions :

1. The Nomination can be made by individuals only applying/holding shares/debentures on their own behalf singly or jointly up to two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.
2. A minor can be nominated by holders of shares/debentures and in that event the name and address of the Guardian shall be given by the holders.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A Non-resident Indian can be a nominee on repatriable basis provided RBI approval granted to the nominee is registered with the Company.
4. Nomination shall stand rescinded upon transfer of shares/debentures.
5. Transfer of shares/debentures in favour of a nominee shall be valid discharge by a Company against the Legal heir.

FOR OFFICE USE ONLY

Nomination Regn. No.: ______________	Checked by : ______________
Date of Registration : ______________	Signature of Employee : ______________

GUIDELINES FOR NOMINATION

1. **Nomination per Folio -**

   Nomination for only one folio can be made on this Form. In case you have many folios, then you may take a photocopy of this Form and nominate separately.

2. **Signatures -**

   The sole/joint holders should sign as per the specimen signature recorded with the Company, else the Form is liable to be rejected.

3. **Registration of Nomination -**

   Upon receipt of a duly executed Nomination Form, TSR Darashaw Ltd. will register the nomination and allot a Registration number. This number will be furnished to the holder. All the subsequent correspondence regarding the nomination may please be done quoting the Registration number.

4. **Change of Nomination -**

   The holder(s) can override (delete or change) an earlier nomination by executing a fresh Nomination Form for which a fresh Registration number will be allotted. The earlier nomination will automatically stand cancelled.

5. **Change in Composition of the Account -**

   Nomination stands rescinded upon transfer of shares/debentures. Whenever the shares/ debentures in the given folio are transferred/transposed/transmitted/dematerialized/amalgamated with some other folio, then this nomination stands void. A new Nomination Form will have to be filled by the person(s) in whose name(s) the shares/debentures have been transferred/ transposed/transmitted/amalgamated.

6. **Electronic Holding -**

   The nomination given in the Form would be considered for the physical holding only. In case securities are held in electronic form, then the holder(s) have to approach the Depository Participant for registering their nomination.

7. **Accruals and Acquisitions -**

   Once a nomination is registered by a Company for a given folio, the same is valid for all future accruals and acquisitions made by the holder(s) in that folio unless notified to the contrary by the holder(s). The accruals could be in the form of Rights, Bonus, Purchases from open market under the same folio etc.

8. **Validity of Nomination -**

   The nomination made through Form 2B will be considered valid and recognised by the Company if the nomination made by the holder(s) of the shares/debentures is registered with the Company before the death of the holder(s) of the shares/debentures/ deposits.

9. **Entitlement of Nominee -**

   The nominee will be entitled to all the rights in the shares / debentures of the Company only in the event of the death of the Sole/all holders in the account. The nominee will be required to approach the Company for transmitting the securities in his/ her name and will be required to produce the death certificate of the holder(s), the share/debentures and proof of identity as required by the Board of Directors of the Company. The Registration number under which the nomination was registered should also be provided to the Company.

10. **Date of Execution -**

    Kindly note that nomination being a legal document should be dated by the nominator and the witness certifying that the Form has been signed by the nominator in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witnesses, witnessing the document.

TITAN INDUSTRIES LIMITED
3, SIPCOT Industrial Complex, Hosur 635 126