



TITAN COMPANY LIMITED

(formerly Titan Industries Limited)

CIN No.: L74999TZ1984PLC001456

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

Sl. No.	PARTICULARS	INFORMATION																																																
1. GENERAL INFORMATION																																																		
a.	Name, address, website and other contact details of the company.	Titan Company Limited, 132/133, Divyasree Technopolis, Yamalur, Off HAL Airport Road, Bangalore-560 037. www.titan.co.in; Ph: 080 6660 9000																																																
b.	Date of incorporation of the company.	26 th July 1984																																																
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	The Company is engaged in business of: - Watches and Accessories - Jewellery - Eyewear - Precision Engineering BUSINESS CARRIED ON BY THE SUBSIDIARIES OF THE COMPANY: 1) Titan Time Products Limited; Manufacture and supply of electronic sub assemblies 2) Favre Leuba AG, Switzerland; Owns the Favre Leuba brand and plans to market Premium Swiss made Watches DETAILS OF BRANCHES/UNITS OF THE COMPANY: The Company has: - Regional offices at Bangalore, New Delhi, Mumbai and Kolkata - Manufacturing units at Hosur (Tamil Nadu), Chikkaballapur (Karnataka), Dehradun (Uttarakhand), Roorkee (Uttarakhand) and Pantnagar (Uttarakhand)																																																
d.	Brief particulars of the management of the company.	The Company is managed by the Managing Director and a team of professional managers, subject to the superintendence, control and direction of the Board of Directors.																																																
e.	Names, addresses, DIN and occupations of the directors.																																																	
	<table border="1"> <thead> <tr> <th>Name</th> <th>Address</th> <th>DIN</th> <th>Occupation</th> </tr> </thead> <tbody> <tr> <td>Mr. C. V. Sankar (Chairman)</td> <td>Principal Secretary to the Government of Tamil Nadu, Industries Department, Secretariat, Chennai - 600 009.</td> <td>00703204</td> <td>Indian Administrative Service</td> </tr> <tr> <td>Mr. Bhaskar Bhat (Managing Director)</td> <td>No. 884, Chaitanya, Indiranagar I stage, Bangalore - 560 038.</td> <td>00148778</td> <td>Managing Director</td> </tr> <tr> <td>Mr. T. K. Arun</td> <td>General Manager & Secretary, Tamil Nadu Industrial Development Corporation Limited, 19-A Marshalls Road, Egmore, Chennai - 600 008.</td> <td>02163427</td> <td>Company Executive</td> </tr> <tr> <td>Mr. Ishaat Hussain</td> <td>Bombay House, 24 Homi Mody Street, Mumbai - 400 001.</td> <td>00027891</td> <td>Company Director</td> </tr> <tr> <td>Mr. N. N. Tata</td> <td>Bombay House, 24 Homi Mody Street, Mumbai - 400 001.</td> <td>00024713</td> <td>Company Director</td> </tr> <tr> <td>Dr. C.G. Krishnadas Nair</td> <td>Chandrabhil Mane, 2388/1, 16th A Main, HAL II Stage, Kodihalli, Bangalore - 560 008.</td> <td>00059886</td> <td>Company Director</td> </tr> <tr> <td>Mr. T. K. Balaji</td> <td>MD, Lucas-TVS Ltd., Corporate Office, Aalim Centre, 82, Dr. Radhakrishnan Salai, Chennai - 600 004.</td> <td>00002010</td> <td>Industrialist</td> </tr> <tr> <td>Ms. Vinita Bali</td> <td>Flat No.1104, Tulip Prestige Exotica, Cunningham Crescent Road, Bangalore - 560 052.</td> <td>00032940</td> <td>Company Director</td> </tr> <tr> <td>Mrs. Hema Ravichandrar</td> <td>No. 17, Moyenville Road, Langford Town, Bangalore - 560 025.</td> <td>00032929</td> <td>Strategic HR Advisor</td> </tr> <tr> <td>Prof. Das Narayandas</td> <td>127, Stanton Avenue, Massachusetts 02466, USA.</td> <td>03518031</td> <td>Senior Associate Dean, Harvard Business School</td> </tr> <tr> <td>Mrs. Ireena Vittal</td> <td>A2 / 1202, World Spa East, Sector 30/41, Gurgaon - 122 001.</td> <td>05195656</td> <td>Independent Strategy Advisor</td> </tr> </tbody> </table>	Name	Address	DIN	Occupation	Mr. C. V. Sankar (Chairman)	Principal Secretary to the Government of Tamil Nadu, Industries Department, Secretariat, Chennai - 600 009.	00703204	Indian Administrative Service	Mr. Bhaskar Bhat (Managing Director)	No. 884, Chaitanya, Indiranagar I stage, Bangalore - 560 038.	00148778	Managing Director	Mr. T. K. Arun	General Manager & Secretary, Tamil Nadu Industrial Development Corporation Limited, 19-A Marshalls Road, Egmore, Chennai - 600 008.	02163427	Company Executive	Mr. Ishaat Hussain	Bombay House, 24 Homi Mody Street, Mumbai - 400 001.	00027891	Company Director	Mr. N. N. Tata	Bombay House, 24 Homi Mody Street, Mumbai - 400 001.	00024713	Company Director	Dr. C.G. Krishnadas Nair	Chandrabhil Mane, 2388/1, 16th A Main, HAL II Stage, Kodihalli, Bangalore - 560 008.	00059886	Company Director	Mr. T. K. Balaji	MD, Lucas-TVS Ltd., Corporate Office, Aalim Centre, 82, Dr. Radhakrishnan Salai, Chennai - 600 004.	00002010	Industrialist	Ms. Vinita Bali	Flat No.1104, Tulip Prestige Exotica, Cunningham Crescent Road, Bangalore - 560 052.	00032940	Company Director	Mrs. Hema Ravichandrar	No. 17, Moyenville Road, Langford Town, Bangalore - 560 025.	00032929	Strategic HR Advisor	Prof. Das Narayandas	127, Stanton Avenue, Massachusetts 02466, USA.	03518031	Senior Associate Dean, Harvard Business School	Mrs. Ireena Vittal	A2 / 1202, World Spa East, Sector 30/41, Gurgaon - 122 001.	05195656	Independent Strategy Advisor	
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f.	Management's perception of risk factors.	Titan Company Limited is a joint venture between the Tamil Nadu Industrial Development Corporation Limited and Tata Group and is listed on the BSE Limited and National Stock Exchange of India Limited. The Company has been in existence for over 30 years and has grown from a one product company to a multi divisional, multi location entity with revenues exceeding Rs.11,000 crores and profits before tax in excess of Rs.1,000 crores for the year ended 31st March 2014. Networth of the Company is in excess of Rs. 2,500 crores and the Company has consistently paid equity dividends for 25 years. The Company does not have any long term debt in its capital. The monies being raised under the deposit scheme are purely advances from its customers towards jewellery purchases and hence do not pose any financial risk except normal business risk that any company in business may face.																																																
g.	Details of default, including the amount involved, duration of default and present status, in repayment of (i) Statutory Dues : Nil (ii) Debentures and interest thereon : Nil (iii) Loan from any bank or financial institution and interest thereon : Nil																																																	

2. PARTICULARS OF THE DEPOSIT SCHEME		
a.	Date of passing of board resolution.	23rd September 2014
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits.	15th September 2014
c.	Type of deposits, i.e., whether secured or unsecured.	Unsecured
d.	Details of deposit amounts (i) Amount the Company can raise by way of deposits: (ii) Aggregate of deposits actually held on: a) Last day of the immediately preceding financial year: * represents amount received under various jewellery purchase schemes (Golden Harvest Scheme(GHS)/ Golden Future Scheme (GFS)) that were not considered as "deposits" under section 58A of the 1956 Act, read with sub-rule (vi) of Rule 2(b) of Companies (Acceptance of Deposits) Rules, 1975 b) On the date of issue of circular: * represents amount received under various jewellery purchase schemes (Golden Harvest Scheme(GHS)/ Golden Future Scheme (GFS)) that were not considered as "deposits" under section 58A of the 1956 Act, read with sub-rule (vi) of Rule 2(b) of Companies (Acceptance of Deposits) Rules, 1975 (iii) Amount of deposits proposed to be raised: (iv) Amount of deposit repayable in next twelve months: These jewellery purchase schemes of the Company (now treated as deposits) do not have any due dates because they are not regular fixed deposits. Customers are entitled to purchase jewellery at any time during the scheme, upto the amount advance by them without any return. However, if they complete the scheme, they are eligible for a discount equivalent to one installment.	Rs.58,663.75 lakhs Rs.130,608.61 lakhs* Rs. 6,296.35 lakhs* Rs. 52,366.75 lakhs
e.	Terms of raising of deposits:	

Duration of scheme	10 Months scheme	6 Months scheme
Key conditions	10 month jewellery purchase scheme, where the customer has to pay 10 installments and the scheme matures after 300 days from the date of joining the scheme. The schemes will allow the customer to pay 10 fixed monthly installments of minimum of Rs. 5,000/- or above (in multiples of Rs. 1,000). In a span of 10 months, customer has to pay one installment every month. The customer is mandatorily required to redeem before 390 days from the date of payment of first installment	6 month jewellery purchase scheme, where the customer has to pay 6 installments and the scheme matures after 180 days from the date of joining the scheme. The schemes will allow the customer to pay 6 fixed monthly installments of minimum of Rs. 5,000/- or above (in multiples of Rs. 1,000). In a span of 6 months, customer has to pay one installment every month. The customer is mandatorily required to redeem before 240 days from the date of payment of first installment
Rate of interest	Since, it is a jewellery purchase scheme, there is no return offered as interest. However, discount is offered at the time of purchase of jewellery by customer as below: - 75% of one month installment as discount upon the completion of 365 days from the date of joining the scheme - If the customer wishes to redeem after 300 days but before 365 days, discount would proportionately vary between 55% to 75% of one month installment based on number of days - No discount will be offered if the customer redeems before 300 days. In case the customer does not redeem within 390 days principal amount would be refunded without any benefits	Since, it is a jewellery purchase scheme, there is no return offered as interest. However, discount is offered at the time of purchase of jewellery by customer as below: - 20% of one month installment as discount upon the completion of 180 days from the date of joining the scheme - No discount will be offered if the customer redeems before 180 days In case the customer does not redeem within 240 days principal amount would be refunded without any benefits
Mode of payment	Cash/ Cheque/ DD/ ECS/ Electronic payment by way of monthly advances	Cash/ Cheque/ DD/ ECS by way of monthly advances
Mode of repayment	Redemption of the advance will generally be by way of purchase of jewellery In case the customer requests refund in cash, payment will be made by cheque/ DD/ electronic transfer without any return In case the customer does not redeem within 390 days only the principal amount would be refunded by way of cheque/DD/ Electronic transfer	Redemption of the advance will generally be by way of purchase of jewellery In case the customer requests refund in cash, payment will be made by cheque/ DD/ electronic transfer without any return In case the customer does not redeem within 240 days only the principal amount would be refunded by way of cheque/ DD/ Electronic transfer

f.	Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid.	The Fixed Deposit Scheme shall be opened from 1st November 2014 and this advertisement issued shall be valid till 30th September 2015 or the date of the Company's Annual General Meeting in 2015, whichever is earlier.
g.	Reasons or objects of raising the deposits.	Titan has been operating the above jewellery schemes for more than a decade. As per the Companies Act, 2013 advances collected under these schemes are construed as deposits. For the Company, these schemes are customer acquisition programmes, whereas for the customer, these schemes provide an opportunity to purchase jewellery by investing on a monthly basis.
h.	Credit rating obtained (i) Name of the Credit Rating Agency: I C R A Limited (ii) Rating obtained: MAAA (pronounced as M Triple A) (iii) Meaning of rating obtained: The outlook on the rating is 'stable'. MAAA is the highest-credit-quality rating assigned by ICRA. The rated deposits programme carries lowest credit risk. Valid till 18th September 2015 (iv) Date on which rating is obtained: 19th September 2014	
i.	Extent of deposit insurance: (i) Name of the Insurance Company, (ii) Terms of the insurance coverage, (iii) Duration of coverage, extent of coverage (iv) Procedure for claim in case of default etc.	Deferred till 31st March, 2015 vide MCA Notification No. G.S.R.386(E) dated 6th June, 2014 and therefore not applicable
j.	Short particulars of the charge created or to be created for securing such deposits, if any.	Unsecured and therefore not applicable
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	Nil

3. DETAILS OF ANY OUTSTANDING DEPOSITS		
a.	Amount Outstanding: *On the date of passing of resolution	Rs. 6,296 lakhs Amount outstanding represents advances collected from prospective customers under erstwhile jewellery purchase schemes that were not construed as deposits.
b.	Date of acceptance:	On various dates
c.	Total amount accepted:	Rs. 14,954 lakhs during F.Y. 2013-14
d.	Rate of interest:	Since, it was a jewellery purchase scheme, there was no return offered as interest. However, discount equivalent to one installment at the time of purchase of jewellery products was offered to customer at the maturity of the scheme
e.	Total number of depositors:	127,348
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:	Nil
g.	Any waiver by the depositors, of interest accrued on deposits.	Nil

4. FINANCIAL POSITION OF THE COMPANY			
a. Profits of the company, before and after making provision for tax for the three financial years immediately preceding the date of circular or advertisement			
	Financial year	Profit Before Tax (Rs. in lakhs)	Profit After Tax (Rs. in lakhs)
	2013-14	101,592.80	74,114.05
	2012-13	100,626.81	72,518.10
	2011-12	83,843.89	60,015.59
b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)			
	Financial year	Dividend Declared	
		Amount (Rs in lakhs)	%
	2013-14	18,643.51	210
	2012-13	18,643.51	210
	2011-12	15,536.26	175
			Interest Coverage Ratio
	2013-14		10.26
	2012-13		16.40
	2011-12		15.76

c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement.

Particulars	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	8,877.86	8,877.86	8,877.86
Reserves and surplus	243,517.96	187,609.17	136,111.82
	252,395.82	196,487.03	144,989.68
(2) Non-current liabilities			
Long-term borrowings	-	-	588.89
Long-term provisions	7,176.28	6,289.60	5,755.29
	7,176.28	6,289.60	6,344.18
(3) Current liabilities			
Short-term borrowings	80,627.23	-	-
Trade payables	85,773.02	209,726.37	188,822.73
Other current liabilities	153,609.60	145,734.86	105,530.25
Short-term provisions	31,120.33	29,317.75	23,669.30
	351,130.18	384,778.98	318,022.28
Total	610,702.28	587,555.61	469,356.14
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	59,034.40	44,021.96	35,775.45
Intangible assets	589.25	841.79	1,097.06
Capital work-in-progress	3,287.40	4,166.24	2,485.21
	62,911.05	49,029.99	39,357.72
Non-current investments	2,657.06	1,850.90	1,604.90
Deferred tax asset (net)	934.98	803.78	377.49
Long-term loans and advances	20,317.99	17,221.99	12,794.08
	86,875.08	68,906.66	54,134.19
(2) Current assets			
Inventories	386,719.44	367,794.49	287,866.90
Trade receivables	15,202.21	16,379.49	16,310.94
Cash and bank balances	88,892.88	113,654.54	96,053.00
Short-term loans and advances	31,342.09	19,868.62	11,727.81
Other current assets	1,670.58	952.21	3,263.30
	523,827.20	518,648.95	415,221.95
Total	610,702.28	587,555.61	469,356.14

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement.

Particulars	2013-14	2012-13	2011-12
A. Cash flow from operating activities			
Net profit before tax	101,592.80	100,626.81	83,843.89
Adjustments for			
- Depreciation/Amortisation	6,558.99	5,448.89	4,489.62
- Unrealised exchange difference (net)	87.73	(1,202.46)	2,918.16
- Marked to Market loss	22.69	14.92	33.92
- Loss on sale/disposal/scrapping of fixed assets (net)	287.17	185.29	225.91
- Bad debts written off	1.21	-	720.64
- Provision for doubtful debts/advances (net)	0.71	155.46	(556.89)
- Interest income	(11,944.07)	(9,986.94)	(9,305.26)
- Dividend income	(0.08)	(0.08)	(0.44)
- Finance cost	8,711.08	5,064.00	4,371.53
Operating profit before working capital changes	105,318.23	100,305.89	86,741.08
Adjustments for			
- (Increase)/ decrease in trade receivables	1,066.03	(198.67)	(5103.52)
- (Increase)/ decrease in inventories	(18,924.95)	(79,834.45)	(88,484.03)
- (Increase)/ decrease in short-term loans and advances	1,133.24	(772.30)	(940.72)
- (Increase)/ decrease in long-term loans and advances	(1,714.28)	(1,888.80)	(1,905.82)
- Increase/ (decrease) in trade payables	(123,936.57)	22,363.27	19,838.31
- Increase/ (decrease) in other current liabilities	7,757.34	40,387.99	28,933.46
- Increase/ (decrease) in long-term provisions	886.68	534.31	1,602.91
- Increase/ (decrease) in short-term provisions	1,802.58	1,893.11	654.66
Cash generated from operations	(26,611.70)	82,790.35	41,336.33
- Direct taxes paid	(28,514.50)	(27,480.62)	(25,586.50)
Net cash from/ (used in) operating activities	(55,126.20)	55,309.73	15,749.83
B. Cash flow from investing activities			
Additions to fixed assets (including capital work in progress and capital advances)	(20,879.21)	(16,642.81)	(13,667.82)
Proceeds from sale of fixed assets	159.56	379.73	150.87
Purchase of investments in subsidiaries	(806.16)	(279.59)	(1,074.22)
Inter-corporate deposits (net)	(9,000.00)	(10,000.00)	-
Dividends received	0.08	0.08	0.44
Interest received	11,225.70	12,310.19	7,601.41
Net cash used in investing activities	(19,300.03)	(14,232.40)	(6,989.32)
C. Cash flow from financing activities			
Proceeds from borrowings	175,627.23	-	-
Repayment of borrowings	(95,542.22)	(542.22)	(5,807.24)
Dividends paid	(18,522.63)	(15,435.02)	(11,018.54)
Tax on dividends paid	(3,168.46)	(2,520.37)	(1,800.26)
Interest paid	(8,711.08)	(5,064.00)	(4,817.56)
Net cash from/ (used in) financing activities	49,682.84	(23,561.61)	(23,443.60)
Net cash flows during the year (A+B+C)	(24,743.39)	17,515.72	(14,683.09)
Cash and bank balances (opening balance)	113,654.54	96,053.00	109,649.90
Add: Cash and bank balances acquired on amalgamation	-	448.26	832.18
Add/(Less): Unrealised exchange (gain)/loss	44.07	(318.37)	(64.36)
	113,698.61	96,182.89	110,417.72
Cash and bank balances (closing balance)	88,892.88	113,654.54	96,053.00
Add/ (Less): Unrealised exchange (gain)/ loss	62.34	44.07	(318.37)
	88,955.22	113,698.61	95,734.63
Increase/ (decrease) in cash and bank balances	(24,743.39)	17,515.72	(14,683.09)
e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.			
There is no change in accounting policies during the last three years.			

5. DECLARATION BY DIRECTORS

The Board of Directors hereby declare that -

a. The company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;

b. They have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;

c. The company has complied with the provisions of the Act and the rules made thereunder;

d. The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;

e. The deposits accepted by the company before the commencement of the Act have been repaid (or will be repaid along with interest thereon on maturity and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities).

f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.

g. The deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;

h. The deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank *pari passu* with other unsecured liabilities of the company.

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 23rd September 2014, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

sd/-

Place: Bangalore	Mr. Bhaskar Bhat	Mr. Ishaat Hussain
Date: 7 th November 2014	Mr. T. K. Balaji	Dr. C. G. Krishnadas Nair
	Mrs. Ireena Vittal	Ms. Vinita Bali
	Mr. T. K. Arun	Prof. Das Narayandas