

BOARD OF DIRECTORS

M F Farooqui (Chairman)
Bhaskar Bhat (Managing Director)
Anita Praveen (from 01.06.2009)
V Parthasarathy (from 20.10.2008)
S Ramasundaram (upto 11.05.2009)
S Susai (upto 20.10.2008)
Kumar Jayant (upto 11.12.2008)
Ishaat Hussain
N N Tata
Farrokh Kavarana (upto 31.03.2009)
T K Balaji
C G Krishnadas Nair
Nihal Kaviratne,CBE
Vinita Bali
Hema Ravichandar
R Poornalingam

COMPANY SECRETARY

Usha Iyengar

AUDITORS

Deloitte Haskins & Sells

BANKERS

Canara Bank
Bank of Baroda
The Hongkong and Shanghai Banking Corporation Ltd.
Standard Chartered Bank
Oriental Bank of Commerce
Union Bank of India
Indian Bank

REGISTERED OFFICE

3, SIPCOT Industrial Complex,
Hosur 635 126

OVERSEAS BRANCH OFFICE

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

SHARE DEPARTMENT

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

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

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TITAN INDUSTRIES

Titan Industries Limited

Notice

The Twenty-fifth 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 Monday July 27, 2009 at 2.30 p.m. to transact the following business:

- 1) To receive and adopt the Director Report and Audited Profit and Loss Account for the year ended March 31, 2009 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. Ishaat Hussain who retires by rotation and is eligible for re-appointment.
- 4) To appoint a Director in place of Mr. Nihal Kaviratne, CBE who retires by rotation and is eligible for re-appointment.
- 5) To appoint a Director in place of Ms. Vinita Bali who retires by rotation and is eligible for re-appointment.
- 6) To appoint a Director in the place of Mr. V Parthasarathy who was appointed as a Director by the Board of Directors in the casual vacancy caused by the resignation of Mr. S. Susai, with effect from October 20, 2008 and whose term is up to the date of this Annual General Meeting under Section 262 of the Companies Act, 1956 read with Article 118 of the Articles of Association of the Company, and 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 Mrs. Hema Ravichandar who was appointed as an Additional Director by the Board of Directors with effect from March 30, 2009 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 117 of the Articles of Association of the Company, and 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 her candidature for the office of Director.
- 8) To appoint a Director in the place of Mr. R. Poornalingam who was appointed as an Additional Director by the Board of Directors with effect from March 30, 2009 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 117 of the Articles of Association of the Company, and 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.
- 9) To appoint a Director in the place of Mrs. Anita Praveen who was appointed as an Additional Director by the Board of Directors with effect from June 1, 2009 and whose term is up to the date of this Annual General Meeting under Section 262 of the Companies Act, 1956 read with Article 118 of the Articles of Association of the Company, and 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 her candidature for the office of Director.
- 10) 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 2009-10, including audit of Cash Flow Statements, on a remuneration to be mutually decided upon 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 & 10 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, (applicable for shares held in physical form) will be closed from Tuesday, July 14, 2009 up to Monday, July 27, 2009, 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 March 31, 2001, have been transferred to the Investor Education and Protection Fund, as required by statute.

Members may please note that pursuant to Section 205C of 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 July 27, 2009, except those held in electronic form. In respect of shares held in electronic form, dividend will be paid to the beneficial holders as per the beneficiary list as on July 14, 2009, 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 2009-10 except Madras Stock Exchange Ltd, as consent for delisting is expected shortly.

- 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

June 10, 2009

Usha Iyengar
Company Secretary

TITAN INDUSTRIES

Titan Industries Limited

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 & 10 of the accompanying Notice dated June 10, 2009.

Item No. 6 :

Mr. V. Parthasarathy was appointed as a Director of the Company by the Board of Directors in the casual vacancy caused by the resignation of Mr. S. Susai, with effect from October 20, 2008. In terms of Section 262 of the Companies Act, 1956, Mr. V. Parthasarathy 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. V. Parthasarathy as a candidate for the office of Director.

Mr. V. Parthasarathy is the Senior General Manager – Finance 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. V. Parthasarathy and accordingly the Directors recommend that he be appointed as a Director of the Company.

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

Item No. 7 :

Mrs. Hema Ravichandar was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2009. In terms of Section 260 of the Companies Act, 1956, Mrs. Hema Ravichandar 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 Mrs. Hema Ravichandar as a candidate for the office of Director.

Mrs. Hema Ravichandar is a practicing expert in the field of Human Resource Development and has served as Senior Vice President & Group Head – Human Resources Development of Infosys Technologies Ltd., till July 2005.

The Board considers it desirable that the Company continues to avail of the services and wise counsel of Mrs. Hema Ravichandar and accordingly the Directors recommend that she be appointed as a Director of the Company.

Other than Mrs. Hema Ravichandar, none of the other Directors, are in any way, concerned or interested in this resolution.

Item No. 8 :

Mr. R. Poornalingam was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2009. In terms of Section 260 of the Companies Act, 1956, Mr. R. Poornalingam 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. R. Poornalingam as a candidate for the office of Director.

Mr. R. Poornalingam is a retired IAS officer and has served extensively in various capacities in State and Central Government.

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

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

Item No. 9:

Mrs. Anita Praveen was appointed as an Additional Director of the Company by the Board of Directors with effect from June 1, 2009. In terms of Section 262 of the Companies Act, 1956, Mrs. Anita Praveen 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 Mrs. Anita Praveen as a candidate for the office of Director.

Mrs. Anita Praveen is an IAS officer and has served in various capacities in State and Central Government. She is currently the Chairperson & Managing 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 Mrs. Anita Praveen and accordingly the Directors recommend that she be appointed as a Director of the Company.

Other than Mrs. Anita Praveen, none of the other Directors are in any way, concerned or interested in this resolution.

Item No. 10:

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 2009-10.

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 2009-10.

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

June 10, 2009

Usha Iyengar
Company Secretary

Directors' Report

To the Members of Titan Industries Limited

The Directors are pleased to present the Twenty fifth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2009:

Financial Results

	Rs. in crores	
	2008-2009	2007-2008
Total Income	3852.98	3042.87
Less: Excise Duty.....	44.34	47.35
Net Income	3808.64	2995.52
Expenditure.....	3506.89	2743.35
Gross profit	301.75	252.17
Interest	29.43	20.14
Cash operating profit.....	272.32	232.03
Depreciation/Amortisation.....	41.76	29.73
Profit before taxes	230.56	202.30
Income taxes - Current	63.00	33.04
- Deferred	(6.53)	7.27
- Fringe Benefit Tax.....	4.21	3.70
Profit after taxes for the year.....	169.88	158.29
Less: Income tax of earlier years	10.92	8.02
Net Profit	158.96	150.27
Profit brought forward	218.55	130.93
Amount available for appropriation	377.51	281.20
Appropriations :		
Debenture redemption reserve.....	5.28	5.28
Proposed dividend on equity shares	44.39	35.51
Tax on dividends	7.54	6.04
Transfer to general reserve	109.27	15.83
	166.48	62.66
Balance carried forward	211.03	218.54

In a difficult year threatened by slowdown in several sectors, Titan Industries continued its spree of improved performance year after year, achieving significant growth in sales and profits. For the year 2008-09, sales income grew to Rs. 3,847.72 crores increasing by 26.5% from Rs. 3,041.09 crores. Profit before taxes grew by 14% to Rs. 230.56 crores from Rs. 202.30 crores during the previous year. Net profit for the year stood at Rs. 158.96 crores as compared to Rs. 150.27 crores in the previous year. Watch segment sales grew by 3.6 % to Rs. 908.49 crores, while Jewellery sales went up by 36.3% to Rs. 2,763.20 crores. Sales of other products, including Eyewear, Accessories and Precision Engineering components, rose by 48.8% to Rs. 136.29 crores.

The Company after a well thought-out plan entered the US Jewellery market with the opening of two Tanishq Stores, one each at Chicago and New Jersey in financial year 2008-09. But due to the adverse effect of severe economic slow down in USA, which resulted in poor customer sentiments, the expected sales did not materialise. The Company, in order to curtail and minimize cash losses, closed down these stores after considered evaluation of store economics resulting in a charge of Rs. 29.02 crores to the Profit and Loss Account.

The Company's fledgling Prescription Eyewear Division which is in the process of establishing a national network of world class optical stores, incurred a loss of Rs. 32.69 crores, in its first full year of operations.

TITAN INDUSTRIES

Titan Industries Limited

The year saw the largest expansion in our retail network adding 135 new stores (1,78,235 sq.ft.) across watches, jewellery and eyewear businesses. As on March 31, 2009, the Company has a total of 487 stores (6,03,686 sq.ft.) delivering a retail turnover of Rs. 3300 crores annually.

International Operations

The Company achieved an export turnover of Rs.130 crores during the year. Exports include sale of Watches, Jewellery and Precision engineered components.

The international markets presented a mixed picture, with some countries displaying good growth but some others such as Dubai and Singapore witnessing strong contraction in demand.

While the Watch sales grew by 10%, Jewellery sales were down by 42%, primarily due to the decision of the Company to reduce jewellery exports, on account of the lower margins.

Dividend

The Directors are pleased to recommend payment of dividend on equity shares at the rate of 100% (Rs.10.00 per equity share), including a special Silver Jubilee dividend of 20%, subject to approval by the shareholders at the Annual General Meeting.

Finance

During the year under review, the Company raised a total of Rs. 249.20 crores from borrowings, of which Rs. 239.82 crores were from Commercial banks and the balance of Rs. 9.38 crores from other sources. Borrowings of Rs. 287.55 crores were repaid during the year. The Company incurred Rs. 68.09 crores as capital expenditure on refurbishment and expansion programmes at manufacturing facilities, retail outlets and IT Hardware systems.

The year 2008-09 witnessed one of the worst global financial crisis with the collapse of several financial institutions across countries. The global financial turmoil had its impact on India as well, with the rupee money market and foreign exchange market coming under severe strain. Inflationary pressures also forced Reserve Bank of India to tighten the monetary policy. All these put a strain on the borrowing rate. As a result, the average cost of borrowings for the year was 10.97 % as against 9.24% in the previous year.

As on March 31, 2009, there were no Fixed Deposits held by the Company from the public, shareholders and employees other than unclaimed deposits amounting to Rs. 0.12 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.

An amount of Rs. 109.27 crores has been transferred to the General Reserve.

During the year under review, the Company made payments aggregating to Rs.388.23 crores by way of central, state and local taxes and duties as against Rs.369.27 crores in the previous year.

Depreciation

During the year 2008-09, the Company revised the estimated useful life of Furniture & Fixtures from 15 years to 5 years which has resulted in an additional depreciation charge of Rs. 7.90 crores.

Actuarial Valuation Impact

During the quarter ended December 31,2008, due to the reduction in the discount rate for actuarial valuation of Gratuity and Leave salary, there was a negative impact of Rs. 12.78 crores on the third quarter financial results. This provision got reversed during the last quarter (Jan 09-Mar 09), consequent to the upward movement of the discount rate, and thus for the year 2008-09 as a whole, there was no significant impact on this account.

Excise Duty on Jewellery

The Company has received a showcause notice from the excise authorities for Rs. 49.83 crores (excluding interest and penalty) towards excise duty on jewellery despatches from September 2005 to December 2008. The Company has been legally advised that the claim vide the notice is not sustainable.

Change in the Method of Valuation of Gold Inventory

In order to facilitate a more appropriate presentation of the financial statements and based on the internal evaluations by the Management, the Company has decided to adopt First-in-First-out (FIFO) method of valuation of gold inventory as against the existing weighted average method with effect from April 1, 2009.

Subsidiaries

It was mentioned in the last year's Directors' Report that a 'Scheme of Amalgamation' of the three domestic subsidiary Companies, i.e., Samrat Holdings Ltd., Questar Investments Ltd and Titan Holdings Ltd. with Titan Industries Ltd. (u/s 391 to 394 of the Companies Act, 1956) was pending with the jurisdictional High Courts.

The Company is glad to report that the said 'Scheme of Amalgamation' of the three domestic subsidiary Companies, has been sanctioned and approved by the jurisdictional High Courts with the appointed date as April 1, 2007 and effective date as March 30, 2009.

The Annual Accounts of the above three Companies has therefore been merged with the Accounts of Titan Industries Ltd. for this financial year.

Pursuant to the Scheme of Amalgamation of Samrat Holdings Ltd., Questar Investments Ltd., and Titan Holdings Ltd. (wholly owned subsidiaries of the Company, carrying investment activities) with the Company as sanctioned by the jurisdictional High Courts, all assets and liabilities have been vested in and transferred to the Company retrospectively with effect from April 1, 2007.

Post merger, the following are the Subsidiaries of the Company:

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

The performance highlights of these Subsidiary companies are as under:

Titan TimeProducts Ltd. sold 6.85 million Electronic Circuit Boards in 2008-09 and made a net profit of Rs. 80.68 lakhs.

Tanishq (India) Ltd made a net profit of Rs. 23.30 lakhs; Titan Mechatronics Ltd made a net profit of Rs. 0.54 lakhs and Titan Properties Ltd made a profit of Rs. 382.02 lakhs. None of these companies have declared a dividend.

As per Section 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 Section 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, consolidating the Company's accounts with its subsidiaries, has also been included as part of this Annual Report.

Outlook for 2009-10

The year 2008-09 was marked by fluctuating fortunes, with excellent performance by the Company during the first half of the year, followed by somewhat lukewarm performance in the second half due to the economic slow down, sharp rise in the gold prices and a planned down stocking of Sonata watches in the distribution pipeline.

Despite a challenging market place, the watches business will pursue profitable growth through investment in brands, sensible expansion of retail net work, product innovation, making Titan a premium brand with higher price points and transformation of Sonata business model.

The Jewellery Division will continue its growth path, through various initiatives including launching of new collections, setting up of large format stores, focus on markets/segments/groups of customers less affected by the economic slow down, improving the walk-ins, and improving the merchandising at the stores.

As regards international business, the Company will pursue profitable growth in Asian markets where the Company is already present, and focus on becoming market leaders in few of the Asian markets.

The Precision Engineering Division of the Company, besides aiming to grow the top line despite the economic slow down, will utilize the opportunity to strengthen its key processes with Lean manufacturing techniques and seek opportunities for moving up the value chain. The Automation Division will work on design standardization, efficient project management and lead time reduction.

The Company's new business vertical, Eyewear which was launched in March 2007 under the brand name Titan Eye + will be consolidating its operations during 2009-10, based on the experience gained during the first full year of commercial operations.

Overall, the year 2009-10 will require skilful navigation around realistic growths, strict management of costs, seizing the available opportunities amidst the slow down, keeping the employees focused and motivated in these challenging times, and strong innovative marketing initiatives to drive demand.

TITAN INDUSTRIES

Titan Industries Limited

Corporate Social Responsibility

The Company has always been supporting good social causes for the past several years. Education, women's empowerment and supporting the disabled have been causes close to the Company. With the Company's entry into eye wear business, vision correction has also been added. For its involvement with the local communities, the Company has won several laurels over the years. This year too, the Company won the Karmayog award in addition to the Pegasus award from Reader's Digest. The Titan School, the Titan Scholarship program, and Meadows have been examples of consistent support to social causes by the Company.

Volunteering by the employees adds significant momentum to the Company's efforts. Their passion and commitment was evident in the large number of eye camps organised by them in and around Hosur. Over 4,000 persons were treated for eye correction with free spectacles provided by the Company and more than thousand got the benefit of free surgery. The Company hereby thanks the doctors from Narayana Nethralaya for their unstinted support to these efforts. In addition, the Eye clinic in Hosur set up by the Company where the doctors from Narayana Nethralaya attend to patients at subsidized cost, has also helped to enhance the image of the Company in the community.

The Company is a signatory to the United Nations Global Compact and has been filing its application regularly with the UN.

Recently, the Company has been supporting Unnati, an NGO working on vocational training for youth from weaker sections of the society. This unique initiative helps the youth to acquire vocational skills thereby making them employable and hence useful members of the society.

In the coming year, the Company will continue to invest in good and relevant social causes.

Awards and Recognition

The Company's connect with the external world is often gauged by the awards and recognition that the Company and its brands have received from independent external agencies. It is an indication of the respect, trust and affection which the Company and its products have earned in the market place.

'Titan' won the following awards:

- Images Fashion Awards – Most admired time wear brand for 9th Consecutive year.
- Global Youth Marketing Forum – best time wear award.
- Shoppers Stop Pinnacle Award for best Brand of watches.
- Best brand performance for 4 years across all brands by Future Group.
- Excellence in Franchising & Business Development - by Franchisee India for 2nd consecutive year.

'Tanishq' won the following awards:

- Best Retail Chain by Retail Jeweller India.
- Gold Vivaha Jewellery – Jodha Akbar Swan set by Retail Jeweller India.
- CNBC Awaaz Award for most preferred brand.

Apart from the above, the Company also won the - IFA 2009 special award to acknowledge the Company's uncontested leadership in the Timewear and Jewellery categories.

Corporate Governance

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

Directors

Mr. Ishaat Hussain, Mr. Nihal Kaviratne and Ms. Vinita Bali retire by rotation and are eligible for re-appointment.

Mr. V. Parthasarathy, Senior General Manager - Finance, Tamilnadu Industrial Development Corporation Ltd (TIDCO) was appointed as a Director of the Company on October 20, 2008 in the casual vacancy caused by the resignation of Mr. S Susai. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution by Mr. S. Susai during his tenure as a Director of the Company. Member's attention is drawn to Item No. 6 of the Notice for the appointment of Mr. V Parthasarathy as a Director of the Company.

Mr. Kumar Jayant, IAS, Executive Director, Tamilnadu Industrial Development Corporation Ltd. and a nominee of TIDCO, who was appointed as a Director, with effect from October 29, 2007 resigned on December 11, 2008. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution by Mr. Kumar Jayant during his tenure as a Director of the Company.

Mrs. Hema Ravichandar was appointed as an Additional Director of the Company with effect from March 30, 2009. Member's attention is drawn to Item No. 7 of the Notice for her appointment as a Director of the Company.

Mr. R. Poornalingam was appointed as an Additional Director of the Company with effect from March 30, 2009. Member's attention is drawn to Item No. 8 of the Notice for his appointment as a Director of the Company.

Mrs. Anita Praveen, IAS, Chairperson & Managing Director of Tamilnadu Industrial Development Corporation Ltd. (TIDCO) was appointed as an Additional Director of the Company on June 1, 2009. Member's attention is drawn to Item No. 9 of the Notice for her appointment as a Director of the Company.

Mr. S. Ramasundaram, IAS, Chairman & Managing Director, nominee Director of TIDCO resigned as Director with effect from May 11, 2009. The Directors wish to record their gratitude and appreciation for the wise counsel and contribution by Mr. S. Ramasundaram during his tenure as a Director of the Company.

Mr. F. K. Kavarana who had been a Director on the Board of the Company for over 16 years, resigned with effect from March 31, 2009. Mr. Kavarana had to step down as Director to enable the Company to reconstitute the Board in order to comply with the revised Clause 49 (1A) of the Listing Agreement which stipulated that at least 50% of the Board strength should comprise of Independent Directors where the Chairman is Non-Executive and related to the Promoter.

Your Directors wish to record their appreciation for the wise counsel and contribution by Mr. F. K. Kavarana during his long-tenure 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. 10 of the Notice.

On behalf of the Board of Directors,

Bangalore, June 10, 2009

M. F. Farooqui
Chairman

TITAN INDUSTRIES

Titan Industries Limited

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 lighting, vacuum system, air-conditioning and process water cooling/evaporation systems at its watch manufacturing facility. This has resulted in energy saving of Rs. 38 lakhs during 2008-09.

The Jewellery Division has implemented various energy conservation projects in the areas of air conditioning, lighting, sewage treatment, reverse osmosis and gas scrubbing system with the introduction of energy efficient equipments and technology. These improvements have resulted in a net saving of Rs. 8.71 lakhs during 2008-09.

Green Power

Your Company is planning to consume around 35% of its energy consumption at watch manufacturing facility through the renewable energy resources. During 2008 – 09, 3.4 million units of energy has been sourced from the private wind farms which has contributed 30% of the annual energy consumption. During 2009-10 targeted generation of energy is 4.0 million units and this will lead to the energy cost reduction to an extent of Rs. 13 lakhs.

Research and Development, Technology Absorption, Adaptation and Innovation

The Company has successfully re-engineered the existing metal movement of Cal.7000 series to Hybrid version in collaboration with SEIKO EPSON, JAPAN. During 2008-09 about 1.0 K movements were assembled and tested for reliability aspects and found good. During 2009-10 about 500 K production is being planned.

This hybridization of Cal.7000 will result in major cost saving at full potential volume of 3.5 million and thereby enhance the profitability of movement manufacturing.

The Company has established the additional plating facility with state of the art physical vapour deposition (PVD) equipment with the salient features of -

- Bi-color plating in a single set up
- Pulse power supply to the Poly cold unit
- Etch & coat with arc for improved adhesion
- Gas ionizer for improved plasma density & uniform coating.

Watch Division won the Golden Peacock Innovation award – 2008, for "Development of Micro Precision plastic injection moulding".

The Jewellery Division has taken an initiative of 'Simplify and Automate' to respond to the front end requirement at faster rate. Under this initiative, the Automatic Stone Bagging machine was developed, a first of its kind in jewellery industry. Automatic stone counting machine and diamond inscription equipment were also installed. The benefits are reduction in lead time, increase in productivity and customer satisfaction.

The Aerospace unit of Precision Engineering Division (PED) located in Bangalore has been awarded 'Continuous Improvement Award' from the Aerospace major UTC group. This is an award for having demonstrated consistent improvements and innovations in various processes and Quality Systems.

- Developed over 100 parts with complex machining of difficult to handle materials like Titanium, Inconel, Monel, etc.
- Developed super finishing technology for flat surfaces up to two light band level (0.6 micron) having a surface finish accuracy of 0.1 micron – A requirement for making special valve assemblies used in oil and gas industry.
- Several innovative processes have been developed to achieve high speed drilling with a challenging length to diameter ratio of up to 40.
- Development of special testing equipments for quality checking using load cells to validate the fitting conditions of pointers used in automotive industry.
- Development of special program for checking and validating LIN (Local Interactive Network) functions such as automatic setting of Time, for application in automotive clocks supplied to Aston Martin.

The Machine Building & Automation Solutions group of PED has introduced new technologies such as:

- Robotic wafer handling system deploying Bernoulli free floating gripper for handling delicate & fragile silicon wafers used in solar industry.
- An unique bottom up servo press for easy and quick change over of Tools, Jigs and fixtures. (0.5 minutes compared to a normal 5 minutes.)
- High speed multi-point grease dispensing deploying SCARA robotic arms.

Environment Management System – ISO 14001

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

The Company's Watch Division won the Golden Peacock Environment Management Award successively for the fourth year and winner of Gold award from Greentech Environment Excellence for its commitment and outstanding achievement on Environment Management.

The Company's Jewellery Division is certified for ISO 14001:2004 version Environment Management Standards. The Jewellery Division has ensured that its process and activities do not affect the environment by upgrading the Scrubber system in its gold refining process.

Integrated Management System - IMS

To bring synergy and optimize the resource utilization between Quality and Environmental Management Systems, during 2008-09 your Company has successfully merged the documentation of both management system into ONE Integrated Management System (IMS). Your Company's certifying agency M/s. Indian Register of Quality Systems (IRQS) have successfully audited this IMS during March 2009 and recommended for Quality and Environmental Management System Certifications.

Safety Management

Your Company has built safety as an 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 committee, safety audits and process like safety alert card system, continual training etc.

During the year 2008-09, your Company has taken the following two important initiatives on safety front –

1. Personal Protective Equipment (PPE) compliance drive titled as ***"Safety moments...Happy moments"***.
2. Behaviour based safety training to all employees working in manufacturing units as attitude plays a major role in safety performance.

The Jewellery Division has built safety as integral part of its business management. All safety systems are in place as per statutory norms. Safety performance is monitored through safety committee, audits and processes like safety alert card system, continual training etc.

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned Rs.132.56 crores in foreign exchange and spent Rs. 1,133.15 crores (including Rs.945.43 crores for procurement of gold and Rs.7.71 crores on capital imports).

On behalf of the Board of Directors

Bangalore, June 10, 2009

M. F. Farooqui
Chairman

TITAN INDUSTRIES

Titan Industries Limited

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, 2009

Name	Designation	Age	Gross Rs.	Net Rs.	Qualification	Experience (years)	Last employment held	Commencement of employment
Ajay Sharma	Head - Finance & Commercial - Tanishq	41	2,536,283	1,721,195	B.Com., CA, ICWA	20	Trinethra Super Retail Limited	Oct-06
Atul Kumar	Factory Manager	55	2,400,009	1,606,661	M.A.	30	Allahabad Polyflex Pvt. Ltd.	Feb-87
Babu S S *	Associate Vice President - Manufacturing Services	60	2,527,760	1,872,232	B.E., PGDBM	39	HMT Ltd.	Jun-86
Bhat B	Managing Director	54	16,177,865	10,207,075	B.Tech., PGDM	31	Tata Press Ltd.	Jan-86
Bhat H	Chief Operating Officer - Time Products & Exec. Vice President	46	8,098,504	4,900,344	B.E. (Hons), MBA	22	Tata Teleservices Ltd.	Apr-06
Biju Alexander	Divisional Manager - Eyewear Business	42	2,599,080	1,749,830	B.E., MMS	18	Asian Paints Limited	Jun-93
Chawla A	Global Business Head - Titan & Associate Vice President	42	3,664,570	2,375,941	B.E., PGDM	19	Tata Services Ltd.	Jun-91
Dwarkanath B G *	Chief Operating Officer - Precision Engineering & Sr. Vice President	60	7,432,858	4,912,413	B.E.	38	HMT Ltd.	Oct-85
Ghai K S	Head - International Business & General Manager	49	3,064,499	2,013,424	B.Sc., Dip. Mktg Mgt.	24	JK Industries Ltd.	Feb-87
Gopalakrishnan S D	Divisional Commercial Head - Time Products Division & Gen.Mgr	53	2,666,864	1,713,538	B.Com., ICWA	33	Lipton India Limited	Jan-89
Govind Raj V	Vice President - Integrated Retail Services	52	3,994,596	2,619,215	BSc, MBA	32	Kinetic Engineering Ltd.	Jan-87
Joe Chacko	Senior Manager - Human Resources	36	2,739,267	2,035,265	B.Sc., M.A., PM	12	Bharti Airtel Limited	Jun-06
Kailasanathan N	Chief Information Officer & Sr. Vice President	57	5,401,764	3,336,770	B.Sc., PGDSM, MFM, PGDSE	36	ABB Ltd.	Jul-99
Kalpana Rangamani	Head - Marketing - Sonata & Group Manager	35	2,883,676	1,903,016	B.A., PGDBM	12	Mother Dairy India Limited	Oct-05
Kapadia K F	Executive Vice President - Finance	59	7,816,900	4,332,300	B.A., PGDM	34	Tata Press Ltd.	Mar-92
Kulhalli S	Vice President - Marketing - Tanishq	49	3,730,441	2,439,535	B.Sc., MBA	29	Khimline Pumps Ltd.	Jul-88
Manoj Tadepalli	General Manager - Jewellery International Operations	46	2,475,600	1,655,350	M.A.	22	Ogilvy and Mather Limited	Mar-02
Meera H	Head - Strategy & Business Development & Divisional Manager	43	2,640,051	1,790,909	B.Sc., MBA	22	-	Aug-87
Nagaraj B V	Divisional Manager - Innovedge	51	2,522,757	1,641,479	B.E. (Mech)	27	HMT Ltd.	Dec-86
Narayan A	Head-Retailing & Group Manager	37	3,039,640	2,246,057	B.E., PGDM	13	Tata Services Ltd.	Jul-99
Narayana N V *	Associate Vice President - Movement Mfg. & Watch Assembly	60	2,752,575	1,868,907	B.E. (Elect.)	32	HMT Ltd.	May-86
Natarajan L R	Vice President - Manufacturing - Jewellery	54	4,463,180	2,834,211	D.M.I.T	31	Protech Services	Feb-03
Raghunath H G	Vice President - Manufacturing Operations (Watches)	53	4,219,234	2,740,915	B.Sc., B.E.	30	HMT Ltd.	Jun-86
Rajarathnam S	General Manager-Finance	50	3,142,681	2,011,171	B.Sc., ACA	26	Blaze Enterprise Pvt. Ltd.	Jan-88

Name	Designation	Age	Gross Rs.	Net Rs.	Qualification	Experience (years)	Last employment held	Commencement of employment
Ramadoss S	Vice President - Human Resources	58	4,306,816	2,751,664	B.A., PGD. PM & IR	36	Greaves Ltd.	Jun-97
Ramesh C S	General Manager - IT	56	3,151,200	2,130,114	M.Sc., M.Phil, MBA	33	Kirloskar Electric Co. Ltd.	Dec-98
Ravi Kant S	Chief Operating Officer - Eyewear Business & Exec. Vice President	49	5,305,037	3,390,727	B.Sc., MBA	25	HCL Ltd.	Jun-88
Revathi Kant	Head-Design Studio - Watches & Div. Manager	40	2,490,969	1,634,797	M.Sc.	18	-	Jul-90
Sangeeta Dewan	Head - Design Tanishq & Group Manager	33	2,877,452	1,668,078	NEFT MDES(AD)	10	Silver Smith India Limited	Jun-06
Sanjay Ranawade	General Manager - ISCM - Jewellery	44	2,790,872	1,863,040	B.E., PGDBM	22	Moser Baer India Limited	Mar-07
Saumen Bhaumik	Head - Retail Tanishq & General Manager	41	2,645,259	1,643,450	B.E. (Elect.)	19	-	Jul-89
Shantharam M S	Chief Manufacturing & Technical Officer & Sr. Vice President	60	5,985,385	3,551,584	B.E. (Mech.)	38	HMT Ltd.	Oct-85
Srinivasan C	Business Head - Sonata & Vice President	53	4,148,350	2,628,371	B.Sc., PGDM	31	Berger Paints India Ltd.	Dec-87
Srinivasa Nairy	Head - Internal Audit & Divisional Manager	50	2,447,897	1,655,691	B.Com.	28	Tata Tea Limited	Apr-87
Suparna Mitra	Global Marketing Head - Titan & Divisional Manager	40	2,736,040	1,820,559	BE., PGDM	13	Arvind Brands Limited	Feb-06
Talati R	Business Head - Fastrack & New Brands & Vice President	49	3,651,082	2,330,949	B.Com., LL.B	31	Tata Press Ltd.	Apr-86
Usha Iyengar	General Manager & Company Secretary	45	2,635,780	1,745,120	M.Com., AICWA, ACS	25	Dotex International Limited	Feb-03
Veeraraghavan Ganesh	Associate Vice President - Precision Engineering	49	2,771,662	1,844,283	B.E. /DBA	27	Larsen And Toubro Limited	Sep-07
Vellingiri P	General Manager - Watch Assembly & Movement	53	2,772,384	1,874,531	B.E. (El & Elns)	30	Tansi Watch Assembly Unit	May-86
Venkataraman C K	Chief Operating Officer - Jewellery & Exec. Vice President	48	7,059,508	4,446,937	B.Sc., PGDM	25	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.

For and on behalf of the Board of Directors

Bangalore, June 10, 2009

M. F. Farooqui
Chairman

TITAN INDUSTRIES

Titan Industries Limited

Management Discussion and Analysis

India Overview

India has been witnessing a phenomenal growth since the last decade and is still holding its ground in the midst of the current global financial crisis. What has perhaps developed as a crisis in developed countries, has manifested itself only as a slowdown for India. As part of the global economy, India cannot obviously completely escape the effects of slowdown.

Despite this slowdown, the Indian economy is estimated to have grown at approximately 6.7% in 2008-09 and the Confederation of Indian Industry estimates the GDP growth in 2009-10 as 6.1%. Agriculture still lags behind with a sectoral growth forecast of 2.8%, while industry and services growth estimates are 5% and 7.5% respectively. Further, an averaging of the leading economic indicators has created a perception that the downturn has bottomed out and the outlook appears relatively optimistic.

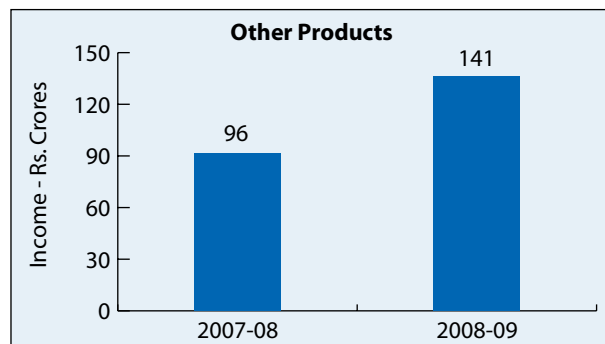
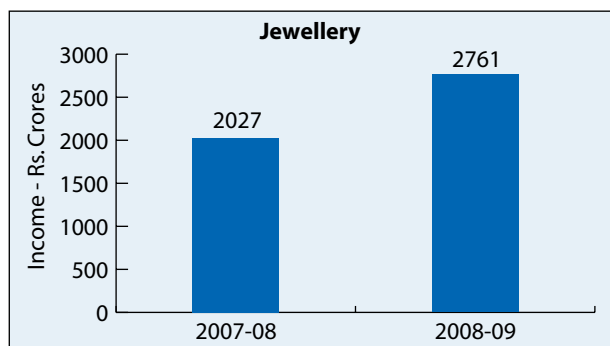
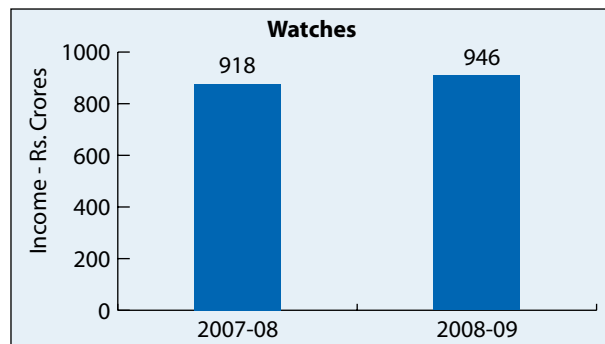
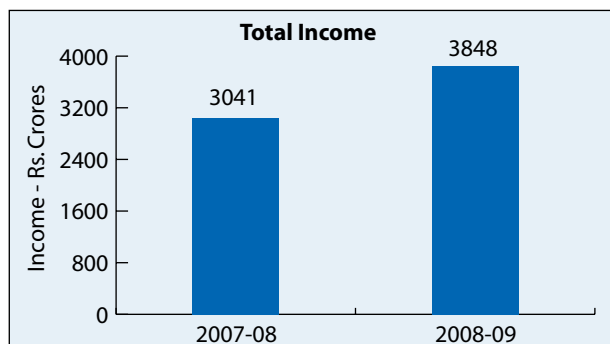
This optimism has been given a huge fillip by the recent election results which were a complete opposite of the hung parliament forecasted by skeptics. There are clear pointers to a period of political stability with reforms getting accelerated in the fields of infrastructure, power, insurance, banking and the agricultural sector.

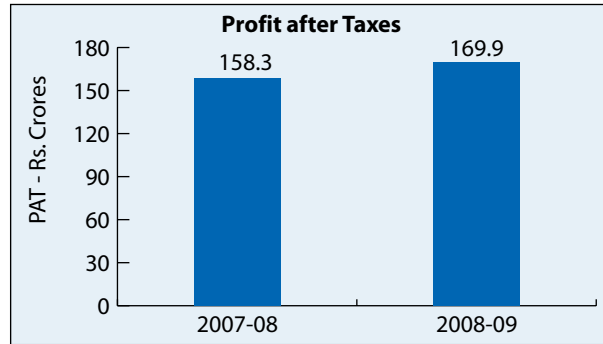
However, though the overall scenario is looking good, it must be understood that the economy has to go through a phase of consolidation, both domestically and internationally. Cautious optimism for the next two quarters is advocated by the pundits.

Business Overview

As far as your Company was concerned, in spite of a difficult year engulfed by a slowdown, the total income grew by almost 27% to Rs. 3,847.72 crore as compared to the previous year. Profit after taxes stood at Rs. 169.88 crore as compared to Rs. 158.29 crore in the previous year.

Company-wide and Division-wise figures are illustrated below:





Watches

Global Trends in the Watches Industry

During 2008, global production of watches has been estimated at 1.2 billion numbers. Based on global trade data, it is estimated that the overall global market for watches declined during the year, led by a lower demand in large recession-hit markets such as the United States and Japan. However, many Asian and European markets continued to exhibit good growth in consumer demand for watches during the year, with Asia being described as an “undeniable vector of growth” for the industry.

The premium and luxury end of the global watches market grew during 2008, albeit at a lower rate. The Swiss watch industry, which holds the centre of gravity of this segment, grew by 6.7% during the year, compared to a 16.2% growth achieved during 2007. Growth in this segment was led largely by resurgence in mechanical and automatic watches, which is now an established global trend.

The Swatch Group, the global market leader in wrist watches, posted a sales growth of 4.3% during 2008, despite challenging market conditions. The global watches industry has taken a cautious view of 2009, given that the economies of many developed countries are yet to recover.

The Indian Watches Market

The Indian watches market size has been estimated at 43.5 million watches for the calendar year 2008, which represents a volume growth of around 6% over the previous year. The premium end of the market continues to grow significantly faster than the overall market. This portends well for the future of the industry.

Growth has been led by marketing investments by several global and Indian Corporations, including your Company. It is relevant to note that over 65 global brands are marketed in India today, and their combined investments will continue to drive good growths in the years ahead.

Your Company is the dominant market leader in the Indian watches market. During the year Company managed to increase market share in multi-brand watch outlets by 2% in terms of value, resulting in 46% market share in calendar year 2008. In the Company's retail exclusive chain, World of Titan, sales grew 11% in volume and 18% in value.

This was achieved by a well crafted portfolio of brands – Titan which is our flagship brand, Titan Raga for women, Titan Zoop for children, Fastrack for youth, Sonata for the economy market and Xylys, our unique Swiss-made offering at the premium end of the market. Our strong nationwide reach, distribution and service network added to our unquestioned leadership. Our vision of being world-class, innovative, contemporary and building India's most desirable brands continues to power our growth.

Based on this strong foundation, the watches division of the Company delivered a healthy profit before interest and taxes of Rs. 138 crores during 2008-09, and a robust ROCE of over 40%, notwithstanding challenging market and economic conditions during the second half of the financial year, and, after down stocking Sonata in the distribution pipe line, in order to facilitate a change in strategy.

Key Milestones and Areas of Focus

Our watches are now sold in India and 26 countries across the world. Apart from our dominance in India, we hold strong positions in the mid-priced segment in many Asian countries.

Our flagship brand Titan was ranked No. 1 amongst all consumer durable brands in the country, in the Economic Times Annual Survey of India's most trusted brands. Titan introduced several stunning new collections of watches during the year, including Raga Diva, Raga Chocolat, Orion and Titan WWF. Enhancing multiple watch ownership through such innovative new products remains an important strategic driver for this brand. Titan also launched Zoop, a sub-brand aimed at the large children's market.

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Sonata, our economy brand, continued to remain India's largest watch brand in terms of volume sales. During the year, Sonata launched Superfibre, its first significant offering in the sub - Rs. 500 price segment, which is currently dominated by the largely faceless unorganised sector. This segment will continue to be a key focus area in future years.

Fastrack, our youth brand, continues to grow rapidly. Apart from its strong presence in watches and sunglasses, the brand also extended its footprint to several personal accessories - including bags, belts and wallets - during the year. Fastrack is already the most exciting brand for Indian youth, and will continue to envelop them with breakthrough product designs and innovative marketing campaigns.

Our Swiss-made brand, Xylys, expanded its presence to 44 cities, and grew its brand awareness and sales volumes significantly.

Our international business in watches took several strategic steps during the year, including a successful launch in Pakistan, establishment of exclusive retail stores in Malaysia and focused marketing initiatives in Vietnam. Sales volumes in international markets saw mixed trends during 2008-09; some countries like Singapore, Malaysia and Dubai which have been hardest hit by the downturn saw declines, whereas some others like Vietnam and Saudi Arabia witnessed a quantum leap in growth.

Our "World of Titan" retail store network, India's finest in the category, grew to over 265 stores across the country. Similarly, our "Titan Watch Care Centres", again the best in its class, increased their presence to 195 locations. We now offer our consumers authorized service facilities in over 725 points nationwide. During the year, we successfully launched a chain of Fastrack stores, which are focused on youth and to retail all Fastrack products. We also piloted the first store of a new retail concept called "Helios", which aims to develop retail space for the rapidly growing premium and luxury watches market in the country. Helios Stores will leverage the Company's retailing skills while pioneering the growth of premium multibrand watch stores in India.

In addition, we continued to forge strong partnerships with modern departmental 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.

Manufacturing, Sourcing, Technology and Design

During the year, the new assembly unit in Roorke achieved excellent stability and good growths in production. The parent unit in Hosur continued to pursue manufacturing excellence on all fronts. We now have a total installed capacity of approximately 12 million watches per year across Units in Hosur, Dehradun, Baddi and Roorke.

The Company has now established global sourcing expertise, with a network of vendors extending from Europe to Asia. The sourcing office at Hong Kong continued to play a sterling role in spotting new product trends and delivering new products.

Our technology team, 'Innovedge', delivered many new product concepts and is working on a range of exciting "wrist-watch" possibilities for the future including light powered watches and on a concept of a single watch with multiple dials.

The Titan Design Studio reinforced its status as one of India's finest centres of design excellence by introducing 212 new designs in the year.

Achieving good sales growths notwithstanding the current sluggishness in several sectors of our economy is a key challenge for the year ahead. We expect volume growth to come under pressure during 2009-10, particularly in select cities and geographical areas. The opportunity ahead is to strongly stimulate consumer demand, continue to strengthen our brands and network, ensure sustained leadership in India, build a respected brand in select Asian countries and delight millions of our consumers with brilliant products and excellent service.

Jewellery

The international investment demand for gold, especially Exchange Traded Funds (ETFs), kept the dollar price of gold rising throughout most of 2008. This factor, combined with a steadily depreciating rupee, kept the rupee price of gold at very high levels. On average, the rupee price of gold was around Rs. 1200/gram for 22k, more than 25% higher than 2007-08 levels.

This had the expected effect on demand by volume. Volumes surged in the second quarter but the growth rate started falling in the third quarter and then fell into a decline phase in the fourth quarter. Apart from the price of gold itself, the general sombre mood was also contributing to this problem.

However, both the Company's retail brands, Tanishq and Gold Plus, have established a compelling proposition in the marketplace and were affected only marginally by these external conditions.

Tanishq sales grew in value by over 30% and studded Jewellery component grew by about 20%. The decision to link the making charges to gold rate from April 1, 2008 helped Tanishq deliver the targeted margin in gold Jewellery. More than 14 new stores, many of them in the 3000 plus square feet size, helped us to increase sales and entrench ourselves more in some key markets. A well-coordinated new product programme kept the interest in the brand high even while filling up key gaps, especially in the wedding category.

Gold Plus grew by around 90% in value. Nine stores were opened during the year in 9 towns in 4 States. A big thrust into rural markets, the creation of the world's largest bangle and the launch of the loyalty programme were key highlights of the year.

The Integrated Supply Chain operations rose to the challenge of the higher sales requirement. With minimal investment, all requirements of alignment, cost and quality were met as per the targets set, thanks to the support of our able and committed vendor base.

On the back of such a good operational performance and higher gross contribution, the domestic operations turned in a profit of Rs. 195 crores before tax and the best ever. Return on capital was in excess of 80% and operating cash flow of the domestic jewellery operations (before interest), after adjusting for working capital changes was over Rs. 180 crores.

Our first-mover advantage in this industry remains unchallenged. The entry of other corporate players into Jewellery began with much fanfare, but has not lived up to the initial hype. Obviously it takes years to acquire the assets and competencies that we have with us: our brands, network and business partners on the asset side, and our design, merchandising and marketing, manufacturing, vendor management and supply chain, and retail operations and customer management on the capability side.

On the international front after conducting extensive market research over two years, Tanishq was launched in the United States through two stores, one in Chicago and the other in New Jersey. These stores were opened only as a pilot project to assess the future potential. However due to the severe downturn adversely affecting consumption patterns in the United States, the Company decided to shut the stores in order to curtail future losses.

The Company during the year opened premium jewellery stores Zoya, at two locations i.e. Mumbai and Delhi.

Gold prices continue to be high and volatile and therefore will affect consumer demand. The year will therefore see subdued growth rates compared to the previous years and the division will concentrate on margin improvement through better working capital management and more effective cost management.

Eyewear

The Eyewear industry in India saw enhanced activity in 2008-09 with new stores and products being introduced and backed by aggressive promotions. Titan Industries invested in rapid expansion of its new chain of world-class optical stores, "Titan Eye+", reaching a network of 70 stores in over 42 towns nationally by March 2009. Consumer feedback on this new business has been extremely positive and their expectations from the brand are high.

The eyewear industry is largely unorganized with a few national/regional optical chains. Competition is intensifying in this business and attracting the attention of large international and national players. It is estimated that this industry is growing at 15% per annum. The mid market segment is growing at a faster rate and is expected to multiply 3 times over the next 5-6 years.

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.

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 introduced numerous differentiated products, which have been very well received by consumers. It has invested in 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 clinical staff. This business, which is now in an investment phase with the network getting established, clocked a turnover of Rs. 28 crores in its first full year of operations.

In the coming year, given the current market scenario, the Company has decided to consolidate and focus on building a highly differentiated brand positioning in the marketplace. The business is also rationalising its cost structure and leveraging lower rentals prevalent in the market today.

The Company is confident that the eyewear business is clearly a sunrise industry and will be a strong contributor to the bottom line in the next five years.

The biggest challenge in the business is to maintain the high service standards expected by consumers in a service industry. It therefore intends to invest further in developing the best talent through training and other developmental initiatives.

Integrated Retail Services

Our Company has evolved over the years and our dreams are becoming realities in more ways than one. Our goal of achieving a billion dollar turnover, which seemed distant at one time, is becoming a certainty. So, while success has blessed us on one hand, the market is experiencing heightened activity, especially on the retail front. Anyone who has a control over retail and has global ambitions will clearly deliver market leadership in the concerned category. Consequently, we reorganised ourselves last year with the introduction of Integrated Retail Services Function.

The role of the Integrated Retail Services Group was primarily to provide the impetus for

- a) Creation of retail infrastructure and network expansion across the prime retail businesses of the Company, and,
- b) Be responsible for training and development of the people connected with retail Franchisee staff.

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This important structural initiative has helped us substantially during the year 2008-09 when we added 135 stores across all divisions, covering an additional area of 1.78 lakh square feet of prime retail space. The purpose of integration was primarily to avoid the duplication of efforts in the retail area, considering that the Company was increasingly becoming more of a Retail Organisation.

The establishment of the IRS department has significantly benefited the Company in the areas of property identification and negotiation, as a set of people who are aware of the requirements of all the divisions were able to leverage this knowledge and expertise, to get better terms for the Company.

In the coming years we see considerable benefits accruing to the Company by the integration of the Retail services activities.

Precision Engineering

Precision Engineering Division (PED) that operates in the B2B space, continued to witness growth this year also. PED serves global automotive, aerospace, telecom and engineering industries with precision engineered components, sub-assemblies, moulds/tools as well as by providing end-to-end technology solutions for automation and testing.

PED sustained its momentum on the growth path with revenue of Rs. 76 crore, representing a growth of 35% over the previous year. A quarter of this was from addition of 16 new customers most of whom are leaders in their respective domains.

The aerospace unit, located in Bangalore, won the 'Continuous Improvement Award' from the international major - UTC Group. A dedicated part development technology cell was created in the unit, and over 100 new precision parts were developed for various customers in specialty materials like Titanium, Monel, Inconel and others.

The Division signed a long-term agreement with Hamilton Sunstrand for supply of precision parts. MOUs were also signed with aerospace majors like Eurocopter, Snecma to be in readiness for defence offset opportunities. The Division sustained its impeccable record in all Quality Management Audits - AS 9100 (Aerospace), TS 16949 (Automotive), ISO 9001 and ISO 14001 (EMS). The automation solution group has recorded over a hundred percent growth in revenue and sustained its leadership position in this domain.

Knowledge Management

The Company realises the potential of knowledge and its dissemination among the employees and hence created three years back, a dedicated Knowledge Management (KM) team to establish processes and mechanisms to capture, store, share and use knowledge residing within the Company. The KM team has built and implemented twelve domain specific Knowledge Portals, to address key needs of the Watch and Jewellery divisions.

Knowledge documents related to products, processes, people, partners, projects, performance, policies, assets, customers, technology and strategies have been categorised and stored in a structured manner for easy retrieval. Formal knowledge management processes for Eyewear and PED would be deployed in the current year.

Human Resources

Your Company considers its Human Resources as important assets, which supports and stand by the Company in times of need and rise to greater heights to contribute to the organisation. It 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 lays 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 in association with an institute of repute.

During the year the Company engaged reputed consultants to carry out productivity studies and understand role redundancies, which have come in good stead for redeployment in times of need by other businesses/functions thereby reducing market recruitment.

During the lean production months, the focus was on capability building, multiskilling and also deployment across the front end for sales activities. This has not only kept the morale of people up but also enabled effective engagement during lean production periods during the last quarter of the year.

For the first time, the Company engaged the services of Gallup to conduct Employee satisfaction/Engagement studies and has come out with flying colours. The engagement index at Titan of 5.25:1 is by far one of the best in the country and also in the top quartile of Gallup Global engagement levels.

We have also been rated among the top 25 in the survey conducted by 'Great Place to work Institute' in collaboration with ET, as well as the top in the Retail category which is a commendable outcome in the first year of its application itself.

During the year 2008-09, 634 new employees joined the Company, of which, a significant addition was towards the newly found Eyewear Division. Attrition during the year was 7.5%, 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 March 31, 2009, the Company had 4,182 employees on its rolls of which 2,660 were in the factories, 434 in the Corporate Office and 1,088 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. In fact during the year 2008-09 the employee participation in Small Group Activity, totalling 205 has been the best in recent years.

How the Company fared

The Company achieved a growth of 27% in sales turnover and profit before taxes went up by 14% over the previous year after accounting for Rs. 29.02 crores for closure of two Tanishq boutiques in US and Rs. 7.90 crores towards accelerated depreciation on furniture and fixtures. Net profit after taxes grew by 6% over the previous year.

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

	2008-09	2007-08	2006-07	2005-06
Sales to Net fixed assets (No. of times)	13.09	10.77	8.00	7.56
Sales to Debtors (No. of times)	36.22	31.53	23.21	16.44
Sales to Inventory (No.of times)	3.20	2.98	3.15	3.96
Retained Earnings – Rupees in crores	115.08	108.72	67.72	55.33
% of Net Profit for the year	72.4%	72.4%	71.9%	75.2%
Operating Return on Capital Employed *	34.2%	34.8%	30.7%	24.0%
Return on Capital Employed (EBIT)	34.2%	34.8%	25.8%	19.5%
Return on Net Worth	32.2%	39.4%	36.0%	42.8%

* excluding exceptional items

Some Risks and Concerns

Risks across product categories viz., Watches, Jewellery and Prescription Eye-wear

All the aforesaid businesses are consumer led businesses and the retail network expansion is carried out through franchisees at the front end. This is an efficient way to expand rather than having Company owned/managed showrooms which is a costlier option. The relationships have to be actively managed to pre-empt shifting of loyalties of these franchisees to other product category brands/brands within these categories.

The Company is seeking to address the risk by maintaining a high level of engagement with the Franchisees and addressing their reasonable business requirements in an empathetic manner, via, both contractual arrangements and day to day interface with these business associates. The fair and equitable approach has been the key factor in maintaining win-win relationships with these Business Associates.

The economic slowdown encountered in the second half of the year was felt more acutely in the last quarter of the Financial Year 2008-09 when the effect on top-line was felt. The Company has cascaded as response measures, a slew of initiatives aimed at cost control and efficiency across businesses and across functions. The close monitoring of the cash flow on day to day basis and minimizing the cash to cash cycle time and even sharper focus on cash generation has been a desirable outcome of the recessionary trend in the economy.

Watches

The large grey market continues to plague the Watch Industry and the Company has taken on the challenge by introducing Sonata variants at the low end. The Super Fibre watch from the Sonata stable is priced at Rs. 275/- which is a great product offering targeted to gain market share from the grey market segment.

The Company is conscious of the high cost structure of captive manufacturing facilities, (mainly at Hosur) which are primarily attributable to the historical high wage cost at these facilities. The Company has taken up initiatives such as lean manufacturing and has increased the outsourcing of most components other than critical ones in watch manufacturing.

The threat to the product category of watches as a time keeping device due to the pervasive and increasing use of the mobile phone is a risk and the Company is seeking to address this by positioning watches as a personal accessory and by ensuring launch of new collections to choose from, and this message is emphasised in all its market and consumer communications.

Jewellery

Gold price volatility and rising gold prices continue to be a concern this year as well. The industry demand in the quarter ending March 2009 has been the lowest in recent times. The Jewellery Division however, did well in combating the general sentiment by activations and schemes in the last quarter.

Competition (both local and regional) is intensifying by the day and regional players are consolidating their presence by expanding their network within regions. The local jewellers play the game by reducing the making charges and offering discounts to the day's rate of gold. The few national players in the studded segment are also adopting novel ways to attract the end customer by pricing discounts which are affordable in the long run only if the players take a view on gold price and buy at dips. Our Company being a

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listed entity serving many stakeholders and self imposed rigors of governance, cannot take a risk on gold prices and hence actively hedges its position on a day to day basis. The gold prices are derived from the quotes at international bourses and from the Reuters/ Bloomberg screens and no discount on the day's prevailing price is offered. This limits the Company's options in terms of price attractiveness to customers who are cost conscious. The Company continues to build on its brand strength and key differentiators in terms of purity and designs to drive traffic to Tanishq stores.

The Gold on loan facility being availed from the International and local banks is a loan facility the availability and terms of availability of which are susceptible to the international credit and currency markets and related risk perceptions. The scaling up of operations in Tanishq is to an extent predicated on the availability of Gold on Loan on sub libor terms. Any world-wide contraction of credit or increase in risk perception would limit both the availability and pricing of this facility.

Eye-wear

The industry is highly fragmented and the entry of new players in the segment cannot be ruled out as there are very few entry barriers. Your Company has been successful in rolling out the Titan Eye + in 42 cities/towns.

The risks of outsourcing as a sourcing option, is a factor to reckon with in this business. Moreover as the procurement of frames is mostly by US\$ inputs, the INR: USD parity would affect the margins. This would be partially mitigated by the Company's plan of setting up its own lens manufacturing/grinding facility near Bangalore in Karnataka.

Precision Engineering Division

The general slowdown internationally and in the segments in which the machined components/sub assemblies the division operates i.e. the Aerospace and the Automotive segments has affected the business in the last quarter of the FY 08-09 and would do in the current year also.

The high capital intensity of the business may limit its growth in the near term and the Division is actively adopting lean manufacturing approach to mitigate this risk.

The Machine Building & Automation segment of this business, is least capital intensive and does not have this limitation; but as the capital goods sector has been sluggish in the recent past, this business may not escape the trend in the current year as well.

The Company may also consider the option of restructuring and/or a revised ownership structure for the Machined Components Business in the long run to drive focus to this business.

Internal Controls

The Company's internal audit system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business and for safeguarding the assets of the Company. The internal audit program focuses primarily on systems and operational audit aiming at monitoring compliance with defined procedures and continuous upgrade of controls. This process enables reporting of significant audit observations to the Audit Committee. The Audit Committee reviews the audit observations and follows up on the implementation through action taken reports. The Committee recommends on risk mitigation plans and control activities, including the policies and procedures, to address risk-prone areas through its observations which are acted upon by the Management.

During the year, the Delegation of Authority has been revisited to further strengthen internal controls and the approval processes across divisions/departments. The Company had also taken steps to raise the levels of authority for spending and commitments - by one level up - to prioritize cash retention in the context of the global financial crisis.

The Company has been running well-known ERP systems like SAP and ORACLE to take care of back-end processes for the past several years.

These systems come with their own authorisation systems and extensive controls. During the year, the Company has implemented an end-to-end Industry-specific SAP Solution for the Eye Wear business. In addition, the Jewellery division has rolled out an application to synchronize Point of Sale data and integrate them with the back-end ERP application, thereby enhancing operational controls.

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, 2009, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director.

The composition and category of directors as of March 31, 2009 is as follows:

Category	Name of the Director	No. of Directors
Nominee Directors of TIDCO (Non-Executive, Non-Independent)	Mr. M F Farooqui	3
	Mr. V Parthasarathy ¹	
	Mr. S Ramasundaram ²	
Nominee Directors of Tata Group (Non-Executive, Non-Independent) (Executive, Non-Independent)	Mr. Ishaat Hussain	2
	Mr. N.N.Tata	
	Mr. Bhaskar Bhat	1
Other Directors (Non-Executive, Independent)	Mr. T K Balaji	6
	Dr. C G Krishnadas Nair	
	Mr. Nihal Kaviratne	
	Ms. Vinita Bali	
	Ms. Hema Ravichandar ³	
	Mr. R Poornalingam ⁴	
Total		12

¹ Mr. V Parthasarathy, nominee of TIDCO, was appointed as a Non-Executive Director of the Company on 20.10.2008 in place of Mr. S Susai who resigned on 20.10.2008.

² Mr. S Ramasundaram, nominee of TIDCO resigned on 11.05.2009

³ Ms. Hema Ravichandar, was appointed as an Additional Director of the Company on 30.03.2009.

⁴ Mr. R Poornalingam, was appointed as an Additional Director of the Company on 30.03.2009.

During the year, the Company had a Non-Executive Chairman, a nominee of promoter and one-third of the Directors were independent. However as on 31.03.2009, the Company was fully compliant with the amended Clause 49(I)(A) of the Listing Agreement, requiring such a company to have at least one-half of its Board's composition as Independent Directors.

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review.

The Board of Directors met eight times during the Financial Year 2008-09. Board Meetings were held on April 25, July 31, September 30, October 20 and December 23 in 2008 and on January 30, March 04 and March 30 in 2009.

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.

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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, 2009 are as indicated below:

Name of Director	No. of Board meetings attended out of 8 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. M F Farooqui	7	Yes	5	5	-	-
Mr. S Ramasundaram ¹	7	No	6	8	1	4
Mr. Bhaskar Bhat	8	Yes	-	4	-	1
Mr. N N Tata	4	Yes	-	10	1	1
Mr. F K Kavarana ²	3	Yes	6	5	5	2
Mr. Ishaat Hussain	7	Yes	2	13	4	5
Mr. T K Balaji	5	Yes	1	9	1	3
Dr. C G Krishnadas Nair	7	Yes	2	6	1	1
Mr. Nihal Kaviratne	5	Yes	-	6	1	4
Ms. Vinita Bali	2*	No	-	4	-	2
Mr. V Parthasarathy ³	5	NA	1	5	-	2
Ms. Hema Ravichandar ⁴	-	NA	-	3	-	1
Mr. R Poornalingam ⁵	-	NA	-	3	-	-

[NA – Not Applicable]

¹Mr. S Ramasundaram, nominee of TIDCO, resigned from the Board on 11.05.2009.

² Mr. F K Kavarana, resigned from the Board on 31.03.2009.

³Mr. V Parthasarathy, nominee of TIDCO, was appointed as a Director of the Company on 20.10.2008 in place of Mr. S. Susai.

⁴Ms. Hema Ravichandar, was appointed as an Additional Director of the Company on 30.03.2009.

⁵Mr. R Poornalingam, was appointed as an Additional Director of the Company on 30.03.2009.

*In addition to attending two Board meetings, Ms. Vinita Bali participated in two meetings over teleconference. However no sitting fee was paid for the participation over teleconference.

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, 2009. 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

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

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

- 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.
- 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 judgement by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - compliances with listing 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 practices.
- 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 a financial expert.

The Audit Committee met six times during the Financial Year 2008-09 on April 25, July 31, August 1 and October 20 in 2008 and on January 30 and February 17 in 2009. 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)	1
Dr. C G Krishnadas Nair (Non-Executive) (Independent)	6
Mr. S Susai (Non-Executive) (Non-Independent)	3
Ms. V Parthasarathy ¹ (Non-Executive) (Non-Independent)	2
Ms. Vinita Bali (Non-Executive) (Independent)	2

¹Mr. V Parthasarathy, nominee of TIDCO, was appointed as a Non-Executive Director of the Company on 20.10.2008 in place of Mr. S. Susai who resigned on 20.10.2008.

The Managing Director, the Executive Vice President - Finance, the Chief Operating Officers of the Watches, Jewellery, Prescription Eyewear and the Precision Engineering Divisions and Head-Internal Audit, were present at Meetings of the Audit Committee. Representatives of the Statutory Auditors and the outsourced Internal Auditors M/s. Ernst & Young are invited to the Meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee.

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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/re-appointment 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 criteria for payment of Non-Executive Director Commission for financial year 2008-09, has been attendance at Board meeting and Audit Committee meetings of the Board.

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 Ramasundaram¹ (Non-Executive) (Non-Independent)

¹Resigned on 11.05.2009

During the Financial Year 2008-09, Meeting of the Remuneration Committee was held on April 25, 2008.

b) Shareholders' Grievance Committee

The Shareholders' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non-receipt of dividends declared by the Company, etc. During the Financial Year 2008-09, a meeting of the Shareholders' Grievance Committee was held on February 17, 2009. All the members were present at the Meeting.

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

Mr. F K Kavarana¹ (Chairman) (Non-Executive) (Non-Independent)
Mr. Bhaskar Bhat (Executive) (Non-Independent)
Dr. C G Krishnadas Nair (Chairman) (Non-Executive) (Independent)
Mr. S Susai² (Non-Executive) (Non-Independent)
Mr. V Parthasarathy³ (Non-Executive) (Non-Independent)
Mr. R Poornalingam⁴ (Non-Executive) (Independent)

¹Resigned on 31.03.2009

²Resigned on 20.10.2008

³Member from 20.10.2008

⁴Member from 29.04.2009

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 Ramasundaram¹ (Non-Executive) (Non-Independent)
Mr. Ishaat Hussain (Non Executive) (Non-Independent)
Mr. S Susai² (Non-Executive) (Non-Independent)
Mr. V Parthasarathy³ (Non-Executive) (Non-Independent)
Mr. Bhaskar Bhat (Executive) (Non Independent)

¹Resigned on 11.05.2009

²Resigned on 20.10.2008

³Member from 20.10.2008

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 Kavarana¹ (Chairman) (Non-Executive) (Non-Independent)
Mr. Bhaskar Bhat (Executive) (Non-Independent)
Dr. C G Krishnadas Nair (Chairman) (Non-Executive) (Independent)
Mr. S Susai² (Non-Executive) (Non-Independent)
Mr. V Parthasarathy³ (Non-Executive) (Non-Independent)
Mrs. Hema Ravichandar⁴ (Non-Executive) (Independent)

¹Resigned on 31.03.2009

²Resigned on 20.10.2008

³Member from 20.10.2008

⁴Member from 29.04.2009

During the year 2008-09, this Committee held a Meeting on March 30, 2009. All the Members except Mr. F K Kavarana were present at the 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. M F Farooqui (Non-Executive) (Non-Independent)

During the year 2008-09, this Committee held a Meeting on March 30, 2009.

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 non-listed subsidiary companies had been placed before the Board for their attention and major transactions and decisions of the subsidiaries, such as inter-corporate loan/investments are effected with prior approval by the Board of Directors of the Company.

The 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 in Note 43 of Schedule K to the Financial Statements in the Annual Report, there were no other material related party transactions of the Company with its promoters, directors or the management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information once in a year. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis.
- (b) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and 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 Board and the Senior Management 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 review/approval of business plans, projects and approvals for business strategy/policy.
 Operational Risks: These are being mitigated by internal policies and Standard Operating Practices (SOP) Manuals.
 Financial Risks: These risks are addressed on an ongoing basis by Treasury, Insurance, Forex Policies and Bullion Risk Management team. Due oversight on financial risks is also exercised by the Audit Committee in its meetings.
 The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritised manner presented to the Board for their inputs on risk mitigation/management efforts.
 The Board engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives culled out for top few risks of each of the businesses that the Company is into.
 The Risk registers of each of the Business gets updated on a bi-annual basis and is placed for due discussions at Board meetings and appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimised.
- (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.

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- (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, 2009, which is annexed hereto.
- (f) **Details of Non-Compliance:** There have been no instances of non-compliance on any matter 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.

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 2008-09 are as under:

(in Rs.)

Name	Salary	Perquisites & Allowances	Commission*
Mr. Bhaskar Bhat, Managing Director	31,20,000/-	51,11,789	90,00,000/-

* based on the recommendations of the Remuneration Committee of the Board at its meeting held on April 29, 2009 and after taking into consideration the performance during the financial year 2008-09 and which is payable in Financial Year 2009-10.

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 2007-08 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 applicable for financial year 2008-09 as well.

The Commission payable to Non-Executive Directors is as per the approval obtained from 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 has been based on attendance at the Board Meetings and at Meetings of the Audit Committee of the Board, for payment to individual Directors.

During the Financial Year 2008-09, 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. M F Farooqui	6,75,000/-	1,00,000
Mr. Ishaat Hussain	11,57,000/-	1,65,000
Mr. F K Kavarana	2,89,000/-	45,000
Mr. N N Tata	3,85,000/-	60,000
Mr. S Ramasundaram	6,75,000/-	1,05,000
Mr. T K Balaji	5,78,000/-	75,000
Dr. C G Krishnadas Nair	12,53,000/	1,85,000
Mr. Nihal Kaviratne	10,60,000/-	1,40,000
Mr. Vinita Bali	3,86,000/-	60,000
Mr. Kumar Jayant	2,89,000/-	35,000
Mr. S Susai	5,78,000/-	60,000
Mr. V Parthasarathy	6,75,000/-	1,15,000

* Gross amount, subject to tax and payable in Financial Year 2009-10

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, 2009 are as below:

Name of Director	Number of Shares
Mr. Farooqui	NIL
Mr. S Ramasundaram	NIL
Mr. N N Tata	2,345
Mr. V Parthasarathy	NIL
Mr. Ishaat Hussain	703
Mr. T K Balaji	28,050
Dr. C G Krishnadas Nair	NIL
Mr. Nihal Kaviratne	NIL
Ms. Vinita Bali	NIL
Ms. Hema Ravichandar	NIL
Mr. R Poornalingam	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.titanword.com & www.titanindustries.in
- Whether it also displays official news releases : Yes
- Website for investor complaints : Pursuant to the amended listing agreements with the Stock Exchanges (Clause 47(f)) an exclusive e-mail ID has been operational 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 : Presentations made during the year to institutional investors are displayed in www.titanword.com
- Newspapers in which results are normally published : The quarterly results were published in The New Indian Express, Dina Thanthi and Loksatta. The audited financial results for the year ended 31-March-2009, were published in Business Standard, Maharashtra Times and Dina Thanthi.
- Whether Management Discussion & Analysis is a part of the Annual Report : Yes

TITAN INDUSTRIES

Titan Industries Limited

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
2005-2006	At the registered office of the Company located At 3,SIPCOT Industrial Complex, Hosur 635 126	August 21, 2006	3.30 p.m.
2006-2007	-do-	July 27, 2007	3.30 p.m.
2007-2008	-do-	July 31, 2008	2:30 p.m.

Whether Special Resolutions –

- a) Passed in the previous 3 Annual General Meetings - Yes
 b) Were put through postal ballot last year - Yes

Pursuant to Section 192A of the Companies Act, 1956, read with the Companies (passing of the Postal Ballot) Rules, 2001, approval of the shareholders was sought by Postal Ballot in respect of special resolutions for amendment of the Objects Clause of the Memorandum of Association of the Company for the commencement of new business in 'Personal accessory space' and for inclusion of 'Realty Business' in Other Objects Clause of the Memorandum of Association as mentioned in the Notice dated October 17, 2008 read with the Explanatory Statement attached thereto.

Details of voting pattern:

Amendment of Objects Clause of Memorandum of Association

	Ballots	Votes	% of Votes
In favour	2008	30,968,313	99.96
Against	38	11,126	0.04
Total	2046	30,979,439	100.00

* 33,703 invalid votes.

Commencement of new business

	Ballots	Votes	% of Votes
In favour	1969	30,962,554	99.96
Against	41	11,950	0.04
Total	2010	30,974,504	100.00

* 38,603 invalid votes.

The votes cast in favour of the resolutions are 99.96% of the total votes received and consequently, the Special Resolutions for amendment of the Objects Clause of the Memorandum of Association of the Company, and for the commencement of new business by the Company have been passed by requisite majority.

Person who conducted the postal ballot exercise : Parikh & Associates,
 Practising Company Secretaries,
 Mumbai

- c) Are proposed to be conducted through postal ballot - No
 Procedure for postal ballot - Not Applicable

GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	: Monday, July 27, 2009 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, 2008 to March 31, 2009
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 27, 2009.
Book Closure Date	: July 14, 2009 to July 27, 2009 (both days inclusive)
Dividend payment date	: On or after July 27, 2009, however within 30 days from the date of Annual General Meeting.
Financial Calendar Period (tentative) - Quarter ending June 30, 2009 - Quarter ending September 30, 2009 - Quarter ending December 31, 2009 - Quarter ending March 31, 2010	: Board Meeting to approve quarterly financial results - End July 2009 - End October 2009 - End January 2010 - April/May 2010

Registered Office	: 3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu
Listing of Equity Shares on Stock Exchanges	: Bombay Stock Exchange Limited, Mumbai National Stock Exchange of India Limited, Mumbai Madras Stock Exchange Limited, Chennai*.
Listing fees	: Listing fees as prescribed have been paid to all these stock exchanges up to March 31, 2010.**
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@tsdarashaw.com Website: www.tsdarashaw.com Tel No: 022-66568484 Fax No: 022-66568494
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: 080-66609610 Fax No: 080-2526 3001 / 2526 9923

*The Company has complied with all the provisions of the Companies Act, 1956, Securities Contracts Regulations Act, 1956, SEBI (Delisting of Securities) Guidelines, 2003, and all other applicable laws, rules, regulations and guidelines, to get its securities delisted from Madras Stock exchange and is awaiting approval of the Delisting Committee of Madras Stock Exchange.

** Listing fees has not been paid to Madras Stock Exchange as delisting is in under process by the exchange.

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
E-mail: tsrdlbbang@tsrdarashaw.com

TSR Darashaw Limited

2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel: 011 – 23271805
Fax: 011 – 23271802
E-mail: tsrdldel@tsrdarashaw.com

Shah Consultancy Services Limited

c/o. **TSR Darashaw Limited**
3-Sumatinath Complex
Pritam Nagar, Akhada Road
Opp. Kothawala Flats
Ellisbridge, Ashram Road
Ahmedabad – 380 006
Telefax: 079 – 2657 6038,
E-mail: shahconsultancy8154@gmail.com

TSR Darashaw Limited

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

TSR Darashaw Limited

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

TITAN INDUSTRIES

Titan Industries Limited

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, 2009

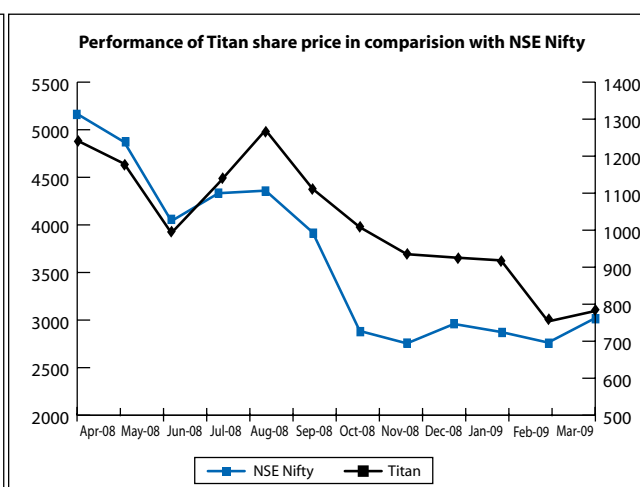
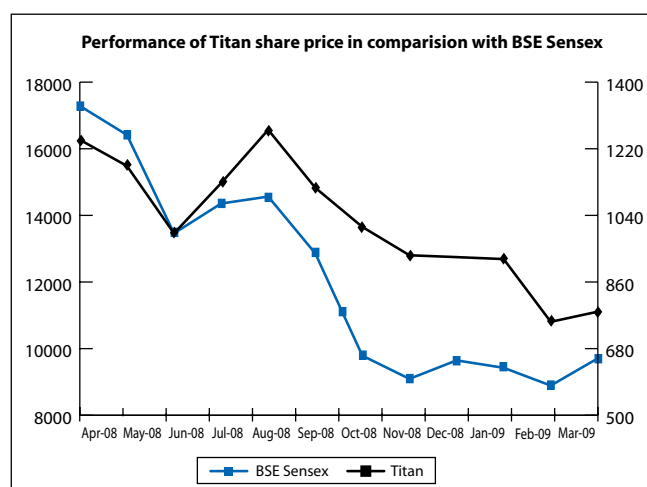
Complaints outstanding as on April 1, 2008	-
Complaints received during the year ended March 31, 2009	25
Complaints resolved during the year ended March 31, 2009	24
Complaints pending as on March 31, 2009	1

The complaint related to demat request which was objected on account of name difference. The shareholder has, subsequently, complied with necessary documentary formalities and the demat request has since been processed.

STOCK PERFORMANCE

Market Price Data – Bombay Stock Exchange Ltd.

Month	Bombay Stock Exchange (in Rs.)		BSE Sensex
	High	Low	
April 2008	1,347.00	970.00	17,287.31
May 2008	1,325.00	1,050.00	16,415.57
June 2008	1,218.00	974.00	13,461.60
July 2008	1,148.90	945.10	14,355.75
August 2008	1,316.00	1,115.00	14,564.53
September 2008	1,300.00	1,033.65	12,860.43
October 2008	1,150.00	710.00	9,788.06
November 2008	1,074.00	805.00	9,092.72
December 2008	1,020.00	803.00	9,647.31
January 2009	979.00	851.00	9,424.24
February 2009	908.00	745.10	8,891.61
March 2009	816.00	668.00	9,708.50



Market Price Data – National Stock Exchange of India Ltd.

Month	National Stock Exchange of India Ltd (in Rs.)		NSE Nifty
	High	Low	
April 2008	1,345.00	966.05	5,165.90
May 2008	1,322.85	1,050.00	4,870.10
June 2008	1,214.90	981.05	4,040.55
July 2008	1,198.80	944.00	4,332.95
August 2008	1,316.00	1,111.25	4,360.00
September 2008	1,298.40	1,032.65	3,921.20
October 2008	1,148.80	705.05	2,885.60
November 2008	1,065.00	800.00	2,755.10
December 2008	1,020.00	805.50	2,959.15
January 2009	979.00	836.60	2,874.80
February 2009	909.00	743.00	2,763.65
March 2009	840.00	666.60	3,020.95

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2009

No. of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	52,376	96.93	4,241,026	9.55
501-2000	1,277	2.36	1,064,261	2.40
2001-3000	105	0.20	265,709	0.60
3001-4000	40	0.07	138,815	0.31
4001-5000	41	0.08	190,608	0.43
5001-10000	50	0.09	375,596	0.85
10001 and above	146	0.27	38,113,293	85.86
Total	54,035	100.00	44,389,308	100.00

CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2009

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	81	5,464,724	12.31
Bodies Corporate	1020	1,864,802	4.20
Unit Trust of India	1	2,456	0.01
Mutual Funds	35	2,787,277	6.28
Nationalised Banks	7	16,120	0.04
Others	52879	10,703,533	24.11
Total	54035	44,389,308	100.00

TOP TEN SHAREHOLDERS:

The Company's top ten shareholders as at March 31, 2009 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	2,479,950	5.59
5	Tata Chemicals Ltd.	1,502,109	3.38
6	Jhunjhunwala Rekha Rakesh	1,113,806	2.51
7	FID Funds (Mauritius) Limited	1,005,288	2.26
8	HDFC Trustee Company Limited - HDFC Equity Fund.	876,667	1.97
9	Tata Investment Corporation Ltd.	861,282	1.94
10	Fidelity Investment Trust Fidelity International Discovery Fund	800,000	1.80

TITAN INDUSTRIES

Titan Industries Limited

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 Non-promoter/Public Shareholding of the Company as at March 31, 2009 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, 2009, 95.67% 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 1 - Khasra No. 148D, 173B, 176A and 176B
 - (ii) Unit 2 - 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, Uttaranchal

ADDRESSES FOR CORRESPONDENCE

- Registered Office : 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
- Corporate Office : Golden Enclave, Tower A, 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.
Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Committee is an Independent Director.
All the members of the Remuneration Committee were present at the Meeting held on April 25, 2008.
The Chairman of the Remuneration Committee was present at the last Annual General Meeting.
- 3. Shareholders Communications** – The Company displays its quarterly (unaudited), half-yearly (unaudited) and annual (audited) results on its website at www.titanworld.com and www.titanindustries.in 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 endeavor to keep themselves updated with changes in global economy and legislations. They attend various workshops and seminars to keep themselves abreast with the changing business and economic environment.
- 7. Mechanism for evaluating Non-Executive Board Members** – The Company has not yet adopted a policy for evaluation of Non-Executive Board members. Commission is distributed amongst the Non-Executive Board member currently based on attendance, this may be reviewed by the Board in future.

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

April 29, 2009

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, 2009

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, 2009.

for TITAN INDUSTRIES LIMITED

BHASKAR BHAT
Managing Director

June 10, 2009

Titan Industries Limited

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, 2009, 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 **Deloitte Haskins & Sells**
Chartered Accountants

B Ramaratnam
Partner
(Membership No. 21209)

Place: Chennai
Date: June 22, 2009

Auditors' Report

TO THE MEMBERS OF TITAN INDUSTRIES LIMITED

1. We have audited the attached balance sheet of TITAN INDUSTRIES LIMITED as at March 31, 2009 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 March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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 March 31, 2009;
 - (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 **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam

Partner

(Membership No. 21209)

Place: Bangalore
Date: April 29, 2009

Annexure Referred to in Paragraph (3) of the Auditors' Report to the Members of Titan Industries Limited on the Accounts for the Year Ended March 31, 2009

- 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 off 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. Discrepancies 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. 3,683.41 lakhs and Rs. 3,591.06 lakhs respectively. The balance has been fully provided as no recoveries are expected.
 - (b) The Company has taken intercorporate deposits from two 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. 1,070.00 lakhs and Rs. 865.00 lakhs respectively.
 - (c) 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.
 - (d) 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 Sections 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 except Rs.0.11 lakh relating to Value Added Tax and the same has been subsequently paid.

- (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	Customs duty	316.94 130.96	1989-94 1998-99 and 2002-03	Supreme Court Commissioners of Customs (Appeals)
The Central Excise Act, 1944	Excise duty	2,272.59 33.38 445.64 9.84	May 2005 to March 2009 March 1987–February 1990, April 1995 to October 1998 and 2000-05 1996-99, 2002-04 and 2006-08 July 1999 – November 1999, 2004	Supreme Court Customs, Excise and Service Tax Appellate Tribunal Commissioner (Appeals) Assistant Commissioner
Sales Tax Laws	Sales tax	0.24 250.52 4.59 1.88	2003-04 2000-01 and 2003-08 1997-98 and 2004-05 2005-08	Commercial Taxes Appellate & Revisional Board Deputy Commissioner (Appeals) Assistant Commissioner Commercial Tax Officer.
Income-tax Act, 1961	Income tax	2.39 53.86 816.38	1997-98 2002-03 1999-00, 2001-03 and 2004-05	Hon'ble Bombay High Court Income Tax Appellate Tribunal Commissioner of Income Tax (Appeals)

- x) The Company has neither accumulated losses at the end of the financial year nor it has 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) In our opinion and according to the information and explanations given to us, the term loan is being applied for the purpose for which it was obtained.
- 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) The Company has not raised any money by way of public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

(Membership No. 21209)

Place: Bangalore
Date : April 29, 2009

TITAN INDUSTRIES

Titan Industries Limited

Balance Sheet as at March 31, 2009

		Rupees in lakhs	
SOURCES OF FUNDS	Schedule	As at March 31, 2009	As at March 31, 2008
Shareholders' funds			
Share capital	A	4438.93	4438.93
Reserves and surplus	B	50685.42	39177.62
		55124.35	43616.55
Loan funds			
Secured loans	C	11675.51	18811.35
Unsecured loans	D	5865.00	6937.50
		17540.51	25748.85
Deferred tax liability (Net)		1817.80	2471.17
Total		74482.66	71836.57
APPLICATION OF FUNDS			
Fixed assets			
Gross block, at cost	E	59303.80	55807.10
Less: Depreciation		31855.95	28561.01
Net block		27447.85	27246.09
Advances on capital account and capital work in progress, at cost		1952.49	999.13
		29400.34	28245.22
Investments	F	766.44	4739.22
Current assets, loans and advances			
Inventories	G	120269.17	102109.05
Sundry debtors		10622.16	9645.31
Cash and bank balances		5469.10	5191.30
Loans and advances		11412.90	9916.83
		147773.33	126862.49
Less:			
Current liabilities and provisions			
Current liabilities	H	94112.98	80190.38
Provisions		9344.47	7819.98
		103457.45	88010.36
Net current assets		44315.88	38852.13
Total		74482.66	71836.57
Notes	K		

The Schedules referred to above form an integral part of the Balance Sheet

Per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors,

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

<p>M F Farooqui Ishaat Hussain S. Ramasundaram N N Tata T K Balaji C. G. Krishnadas Nair Nihal Kaviratne Vinita Bali V Parthasarathy R Poornalingam Hema Ravichandar</p>	<p>Chairman</p> <p>Directors</p>
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Bangalore, April 29, 2009

Profit and Loss Account for the year ended March 31, 2009

		Rupees in lakhs	
	Schedule	Current Year	Previous year
INCOME			
Sales		384771.61	304109.38
Less: Excise Duty		4434.04	4734.87
Net Sales Income		380337.57	299374.51
Other income	I	526.05	177.26
Total		380863.62	299551.77
EXPENDITURE			
Operating and other expenses	J	350688.55	274334.69
Depreciation/Amortisation		4176.06	2972.77
Interest		2943.39	2013.99
Total		357808.00	279321.45
PROFIT BEFORE TAXES			
Income taxes - Current		6300.00	3304.00
- Deferred		(653.37)	726.98
- Fringe Benefit Tax		421.00	370.65
		6067.63	4401.63
PROFIT AFTER TAXES			
Less: Income tax of earlier years		1091.64	801.95
NET PROFIT			
Profit brought forward		21854.51	15026.74
Amount available for appropriation		37750.86	28120.04
Appropriations			
Transfer to debenture redemption reserve		528.00	528.00
Proposed dividend on equity shares		4438.93	3551.14
Tax on dividends		754.40	603.52
Transfer to general reserve		10927.00	1582.87
		16648.33	6265.53
Balance carried to balance sheet		21102.53	21854.51
Earnings per share - Basic and diluted (Rs.)		35.81	33.85
Notes	K		

The Schedules referred to above form an integral part of the Profit and Loss Account

Per our report attached to the Balance Sheet

For and on behalf of the Board of Directors,

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui
Ishaat Hussain
S. Ramasundaram
N N Tata
T K Balaji
C. G. Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar

Chairman

Directors

Bangalore, April 29, 2009

TITAN INDUSTRIES

Titan Industries Limited

Cash flow statement for the year ended March 31, 2009

	Rupees in lakhs	
	Current Year	Previous Year
A. Cash flow from operating activities		
Net profit before tax	23055.62	20230.32
Adjustments for :		
- Depreciation/Amortisation	4176.06	2972.77
- Unrealised exchange difference (net)	(48.96)	221.87
- Marked to Market loss	89.05	-
- Loss on sale/ disposal/ scrapping of fixed assets (net)	1114.83	162.62
- Loss on sale of investments	2.11	32.85
- Provision for doubtful debts (net)	41.00	(442.00)
- Provision for doubtful loans and advances (net)	-	165.22
- Interest income	(393.51)	(110.39)
- Dividend income	(0.04)	-
- Interest expense	2943.39	2013.99
- Deferred revenue expenditure written off	-	420.69
Operating profit before working capital changes	30979.55	25667.94
Adjustments for:		
- (Increase)/Decrease in sundry debtors	(953.87)	114.69
- (Increase)/Decrease in inventories	(18160.12)	(34360.82)
- (Increase)/Decrease in loans and advances	(3140.58)	(1992.25)
- Increase/(Decrease) in current liabilities and provisions	13162.87	26853.27
Cash generated from operations	21887.85	16282.83
- Direct taxes paid	(5926.97)	(6086.70)
Net cash from/(used in) operating activities	15960.88	10196.13
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	(6809.26)	(4679.10)
Proceeds from sale of fixed assets	245.17	76.54
Purchase of investments - subsidiary companies	-	(2,086.68)
Proceeds from sale of investments	72.75	16.64
Dividends received	0.04	-
Interest received	764.33	563.44
Net cash from/(used in) investing activities	(5726.97)	(6109.16)
C. Cash flow from financing activities		
Proceeds from new borrowings	24919.83	34679.53
Repayment of borrowings	(28754.67)	(33701.50)
Dividends paid	(3529.04)	(2206.88)
Tax on dividends paid	(603.52)	(377.20)
Interest paid	(2007.80)	(2294.49)
Net cash from/(used in) financing activities	(9975.20)	(3900.54)
Net cash flows during the year (A+B+C)	258.71	186.43
Cash and cash equivalents (opening balance) { refer Schedule G}	5191.30	5072.99
Add: Cash and cash equivalents acquired on amalgamation	5.44	-
Add/(Less): Unrealised exchange (gain)/loss	27.48	(40.64)
	5224.22	5032.35
Cash and cash equivalents (closing balance) {refer Schedule G}	5469.10	5191.30
Add/(Less): Unrealised exchange (gain) / loss	13.83	27.48
	5482.93	5218.78
Increase/(decrease) in cash and cash equivalents	258.71	186.43

Per our report attached to the Balance Sheet
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors,

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui Chairman
Ishaat Hussain
S.Ramasundaram
N N Tata
T K Balaji
C. G.Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar Directors

Bangalore, April 29, 2009

Schedules forming part of Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" 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		
As per last balance sheet	13.23	13.23
Add : On amalgamation {refer Note 2(iv)}	0.05	-
	13.28	13.23
Share premium account		
As per last balance sheet	13357.02	13357.02
Add : On amalgamation {refer Note 2(iv)}	531.25	-
	13888.27	13357.02
Debenture redemption reserve		
As per last balance sheet	1013.00	485.00
Add : Transfer from profit and loss account	528.00	528.00
	1541.00	1013.00
General reserve		
As per last balance sheet	2939.86	1356.99
Add : On amalgamation {refer Note 2(iv)}	5884.38	-
Less : Deficit on amalgamation {refer Note 2(iii)}	5610.90	-
Add : Transfer from profit and loss account	10927.00	1582.87
	14140.34	2939.86
Balance in profit and loss account	21102.53	21854.51
	50685.42	39177.62
" C " Secured loans		
6.75% non convertible debentures of Rs.250 each, fully paid up {refer Note 8}	5282.60	5282.60
Term loans from banks {refer Note 9 (a) and (b)}	3332.33	5500.00
Foreign Currency loan {refer Note 9 (c)}	2537.00	-
Cash credit account secured by hypothecation of book debts, inventories, stores and spares both present and future	523.58	8028.75
	11675.51	18811.35

TITAN INDUSTRIES

Titan Industries Limited

Schedules forming part of Balance Sheet

Rupees in lakhs

" D " Unsecured loans

- Fixed deposits
- Short term loans and advances
 - from banks
 - from subsidiary companies

As at March 31, 2009	As at March 31, 2008
-	132.50
5000.00	2000.00
865.00	4805.00
5865.00	6805.00
5865.00	6937.50

" E " Fixed Assets

Rupees in lakhs

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 1-4-2008	Additions	Deductions	Cost as at 31-3-2009	As at 1-4-2008	For the year	Deductions	As at 31-3-2009	As at 31-3-2009	As at 31-3-2008
Land - freehold	232.23	-	2.94	229.29	-	-	-	-	229.29	232.23
Land - leasehold	141.01	-	-	141.01	-	-	-	-	141.01	141.01
Buildings	5517.68	131.49	42.69	5606.48	1640.49	148.92	4.95	1784.46	3822.02	3877.19
Plant, machinery and equipment	38923.49	3134.86	771.07	41287.28	24054.19	2084.11	435.25	25703.05	15584.23	14869.30
Furniture, fixtures and equipment	4097.44	2177.70	1188.30	5086.84	1510.03	1173.09	245.86	2437.26	2649.58	2587.41
Vehicles	568.14	293.77	236.12	625.79	301.78	137.23	195.06	243.95	381.84	266.36
Intangible assets - Trade Marks	6327.11	-	-	6327.11	1054.52	632.71	-	1687.23	4639.88	5272.59
TOTAL	55807.10	5737.82	2241.12	59303.80	28561.01	4176.06	881.12	31855.95	27447.85	
Previous year	51548.33	5343.21	1084.44	55807.10	26433.52	2972.77	845.28	28561.01		27246.09
Capital work in progress {including advances for capital expenditure Rs.287.28 lakhs (2008 : Rs.264.74 lakhs)}									1952.49	999.13
									29400.34	28245.22

Schedules forming part of Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" F " Investments		
Trade investments (long-term) - unquoted		
In subsidiary companies		
Nil (2008: 75,000) * fully paid equity shares of Rs. 10 each in Titan Holdings Limited	-	412.32
Nil (2008: 1,70,000) * fully paid equity shares of Rs. 10 each in Questar Investments Limited	-	477.80
Nil (2008: 2,02,820) * fully paid equity shares of Rs. 10 each in Samrat Holdings Ltd.	-	3524.47
19,00,000 (2008: 19,00,000) fully paid equity shares of Rs. 10 each in Titan TimeProducts Limited	237.70	237.70
3,35,000 (2008: 1,00,000) fully paid equity shares of Rs. 10 each in Titan Properties Limited	33.54	10.00
2,35,000 equity shares acquired on amalgamation		
40,030 (2008: 5,010) fully paid equity shares of Rs. 10 each in Titan Mechatronics Limited	4.00	0.50
35,020 equity shares acquired on amalgamation		
19,30,350 (2008: 15,000) fully paid equity shares of Rs. 10 each in Tanishq (India) Limited	381.68	1.50
19,15,350 equity shares acquired on amalgamation		
	656.92	4664.29
In non subsidiary companies * *		
5,25,000 (2008: Nil) fully paid equity shares of Rs. 10 each in Innoviti Embedded Solutions Pvt. Limited	100.00	-
	100.00	-
Non-Trade investments (long-term) - quoted * *		
100 (2008: Nil) fully paid equity shares of Rs.10 each in Timex Watches Limited	0.01	-
1,000 (2008: Nil) fully paid equity shares of Rs.10 each in National Radio Electronics Company Limited	0.10	-
1,800 (2008: Nil) fully paid equity shares of Rs.10 each in Tata Steel Limited	3.27	-
600 (2008: Nil) fully paid equity shares of Rs.10 each in Tata Tea Limited	2.34	-
560 (2008: Nil) fully paid equity shares of Rs.10 each in Tata Chemicals Limited	1.40	-
300 (2008: Nil) fully paid equity shares of Rs.10 each in Trent Limited	0.92	-
100 (2008: Nil) fully paid equity shares of Rs.10 each in Titan Alloys Limited	0.02	-
100 (2008: Nil) fully paid equity shares of Rs.10 each in Titan Foods and Fashions Limited	0.01	-
100 (2008: Nil) fully paid equity shares of Rs.10 each in Titan Biotech Limited	0.02	-
100 (2008: Nil) fully paid equity shares of Rs.10 each in Titan Securities Limited	0.01	-
	8.10	-
Less : Provision for diminution	0.06	-
	8.04	-

TITAN INDUSTRIES

Titan Industries Limited

Schedules forming part of Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
Non-Trade investments (long-term) - unquoted * *		
1,14,663 (2008: Nil) fully paid equity shares of Rs. 50 each in The Central India Spinning and Weaving Mills Limited	-	-
97,624 (2008: Nil) fully paid equity shares of Rs. 25 each in Tata Mills Limited	-	-
400 (2008: Nil) fully paid equity shares of Rs. 25 each in The Central India Press Limited	-	-
Others (long-term) - quoted		
Nil (2008: 74,932) 6.75% tax free bonds of Rs. 100 each of the Unit Trust of India	-	74.93
1,350 * * (2008: Nil) fully paid 2% cumulative convertible preference shares of Rs. 100 each in Tata Steel Limited	1.35	-
25 * * (2008: Nil) fully paid secured non-convertible debentures of Rs. 500 each in Trent Limited	0.13	-
	1.48	74.93
	766.44	4739.22
Aggregate amount of quoted investments	9.52	74.93
Aggregate amount of unquoted investments	756.92	4664.29
Market value of quoted investments	9.87	75.38
* Shares cancelled on amalgamation		
* * Shares acquired on amalgamation		

Schedules forming part of Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" G " Current assets, loans and advances		
Inventories		
Consumable stores	410.85	381.07
Loose tools	417.05	413.30
Raw materials and bought-out components	18775.84	18516.26
Work in progress	7242.20	7384.25
Finished goods	93423.23	75414.17
	120269.17	102109.05
Sundry debtors (unsecured)		
Over six months		
Considered good	1237.12	680.97
Considered doubtful	727.35	686.35
	1964.47	1367.32
Others - considered good	9385.04	8964.34
	11349.51	10331.66
Less: Provision for doubtful debts	727.35	686.35
	10622.16	9645.31
Cash and bank balances		
Cash on hand	278.61	256.90
Cheques on hand	992.60	993.80
With scheduled banks - in current accounts	2305.68	385.80
- in transit	1830.48	3552.55
With non scheduled banks - in current accounts		
Hongkong and Shanghai Banking Corporation Limited, Hongkong	1.55	2.25
HSBC Bank, USA	59.85	-
JP Morgan Chase Bank, N.A., USA	0.33	-
	5469.10	5191.30
Maximum balance outstanding during the year		
Hongkong and Shanghai Banking Corporation Limited, Hongkong -		
Rs. 10.70 lakhs (2008: Rs.13.79 lakhs)		
HSBC Bank, USA - Rs. 591.53 lakhs (2008: Nil)		
JP Morgan Chase Bank, N.A., USA - Rs. 28.39 lakhs (2008: Nil)		
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	141.29	146.26
- from others		
Considered good	9411.65	6744.92
Considered doubtful	5616.35	5616.35
	15028.00	12361.27
Tax payments , net of provision	213.55	2070.27
Balances with customs and excise authorities	1646.41	955.38
	17029.25	15533.18
Less: Provision for doubtful loans and advances	5616.35	5616.35
	11412.90	9916.83
	147773.33	126862.49

TITAN INDUSTRIES

Titan Industries Limited

Schedules forming part of Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" H " Current liabilities and provisions		
Current liabilities		
Sundry creditors		
Dues to micro enterprises and small enterprises	36.98	10.16
Others	69617.60	65100.02
Dues to subsidiary companies	16.07	265.45
	69670.65	65375.63
Unclaimed dividends	93.20	71.10
Advances from customers	23932.20	14371.95
Interest accrued but not due on loans	416.93	371.70
	94112.98	80190.38
Provisions		
Provision for taxes, net of payments	-	10.36
Proposed dividend on equity shares	4438.93	3551.14
Tax on dividends	754.40	603.52
Retiring gratuities and pension	776.06	796.44
Leave salaries	2654.11	2197.96
Others {refer Note 4 (a) and (b)}	720.97	660.56
	9344.47	7819.98
	103457.45	88010.36

Schedules forming part of the Profit and Loss Account

	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. 46.59 lakhs; 2008: Rs. 9.95 lakhs)	390.98	105.33
Income from trade investments	0.04	-
Interest from tax free bonds of Unit Trust of India	2.53	5.06
Miscellaneous income	132.50	66.87
	526.05	177.26

Schedules forming part of the Profit and Loss Account

	Rupees in lakhs	
	Current Year	Previous Year
" J " Operating and other expenses		
Raw materials and components consumed	252081.71	213924.68
Loose tools, stores and spare parts consumed	7047.29	4187.20
Purchase of finished goods	34956.83	25067.51
Salaries, wages and bonus	20473.89	16291.46
Company's contribution to provident and other funds	954.00	828.44
Welfare expenses	1441.86	1287.03
Gratuity	470.35	509.42
Deferred revenue expenditure written off -VRS	-	420.69
Other expenses		
Power and fuel	1610.96	1390.30
Repairs to buildings	137.32	153.29
Repairs to plant and machinery	898.63	596.22
Advertising	18136.33	15155.10
Selling and distribution expenses	4855.45	4028.67
Insurance	325.80	295.26
Rent	7703.36	3073.81
Rates and taxes	5533.02	5804.34
Travel	1652.76	1444.61
Provision for doubtful debts	41.00	136.00
Provision for doubtful debts of earlier years written back	-	(578.00)
Irrecoverable loans and advances written off	-	4204.87
Less: Provision for loans and advances created in earlier years	-	(4039.65)
Loss on sale of investments {refer Note 2(v)}	2.11	165.22
Less: Provision for investments created in earlier years	-	2276.85
	2.11	(2244.00)
Provisions of earlier years written back	-	32.85
Loss on sale/disposal/scrapping of fixed assets (net)	1114.83	(1058.99)
Gold price hedging costs (net)	(2199.38)	162.62
General expenses	11235.29	5410.20
	51047.48	5339.27
Directors' fees	11.55	41550.77
Commission to Non Whole-time Directors	80.00	8.60
Decrease/(Increase) in work in progress and finished goods		50.00
Closing stocks		
Work in progress	7242.20	7384.25
Finished goods	93423.23	75414.17
	100665.43	82798.42
Opening stocks		
Work in progress	7384.25	6972.03
Finished goods	75414.17	46037.30
	82798.42	53009.33
	(17867.01)	(29789.09)
	350697.95	274336.71
Less: Expenses capitalised	9.40	2.02
	350688.55	274334.69

Schedules 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/or delivered to customers as per the terms of the contract.

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 - @ 25% instead of 16.21%

Vehicles - @ 25% instead of 9.50%

Furniture & Fixtures - @ 20% instead of 6.33% (Refer note 36)

Leased assets - 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 currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities (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.

- 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.

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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.

Defined Contribution plan

Company's contributions to the Superannuation Fund which is a self managed Fund and Pension Fund administered by Regional Provident Fund 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 40).

- xii. 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 reverse during subsequent periods.
- xiii. Segment accounting: Segments are identified based on the types of products and the internal organisation and management structure. The Company has identified business segment as its primary reporting segment with secondary information reported geographically.

The 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.

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

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

- 2. i. Pursuant to the Scheme of amalgamation of Samrat Holdings Limited (SHL), Questar Investments Limited (QIL) and Titan Holdings Limited (THL) (wholly owned subsidiaries of the Company carrying on investment activities) with the Company as sanctioned by the High Courts of Bombay and Karnataka, all assets and liabilities have been transferred to and vested in the Company retrospectively with effect from April 1, 2007.
- ii. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS) 14 – Accounting for Amalgamations notified by the Central Government of India under the Companies (Accounting

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Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves have been recorded at their respective book values in the accounts of the Company.

- iii. Pursuant to the Scheme, no shares were issued to the amalgamating companies, being wholly-owned subsidiaries of the Company. The net deficit on amalgamation of Rs. 5610.90 lakhs representing excess of the cost of investments in amalgamating companies over their issued share capital has been adjusted against General Reserve. After adjustment of net deficit on amalgamation of Rs. 5610.90 lakhs, there is a net accretion of Rs. 804.78 lakhs to the reserves of the Company.
- iv. Details of adjustments to reserves -

Rs. in lakhs

Particulars	SHL	QIL	THL	Total
General Reserve				
- General Reserve	2040.63	13.57	-	2054.20
- Reserve Fund	-	-	173.40	173.40
- Statutory Reserve	-	117.37	-	117.37
- Balance in Profit and Loss Account	3209.07	345.73	(15.39)	3539.41
Total	5249.70	476.67	158.01	5884.38
Share Premium account	495.25	36.00	-	531.25
Capital Reserve	-	-	0.05	0.05

- v. Loss on sale of investments for the year 2008-09 includes an amount of Rs. 2.11 lakhs on sale of Company's debentures held by amalgamating companies prior to the scheme becoming effective.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 2662.96 lakhs (2008: Rs. 1745.76 lakhs).
 4. As per AS 29, Provisions, Contingent Liabilities and Contingent Assets given below are movements in provision for Warranty and Customer Loyalty programme.
 - (a) Provision for warranty – Rs. 239.98 lakhs (2008: Rs. 230.31 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. 201.96 lakhs (2008: Rs. 191.24 lakhs) and Rs. 192.29 lakhs (2008: Rs. 110.20 lakhs) respectively.
 - (b) Provision for Customer Loyalty programme – Rs. 480.99 lakhs (2008: Rs. 430.25 lakhs)
The Company has a scheme of reward points on purchase of certain products by customers which can be redeemed at the time of future purchases. Provision is made based on past experience. Additional provision made and utilised/reversed during the year is Rs. 296.36 lakhs (2008: Rs. 430.25 lakhs) and Rs. 245.62 lakhs (2008: Rs. Nil lakhs) respectively.
 - (c) Contingent liabilities not provided for –Rs. 3883.28 lakhs (2008: Rs. 4094.83 lakhs) comprising of the following:
 - Sales Tax – Rs. 323.10 lakhs (2008: Rs. 1176.90 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)
 - Customs Duty – Rs. 447.89 lakhs (2008: Rs. 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)
 - Excise Duty – Rs. 2779.35 lakhs (2008: Rs. 2426.58 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax)
 - Income Tax – Rs. 263.25 lakhs (2008: Rs. 113.66 lakhs)
(relating to disallowance of deductions claimed)
 - Others – Rs. 69.69 lakhs (2008: Rs. 60.75 lakhs)
(relating to miscellaneous claims)

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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.

5. During the year, the Company has received a show cause notice from the Excise authorities for Rs. 4983.40 lakhs (excluding interest and penalty) towards excise duty on jewellery despatches from September 2005 to December 2008. The Company has been legally advised that the notice is not sustainable.
6. The Company has decided to close down its two Tanishq boutiques in the United States of America (USA) resulting in a charge of Rs. 2901.69 lakhs to the Profit and Loss Account.
7. In terms of the Letter of Offer, out of the Rights Issue proceeds of Rs. 12678.23 lakhs, Rs. Nil lakhs (2008: 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. Nil lakhs (2008: Rs. 1803.12 lakhs; 2007: Rs. 1711.14 lakhs), replacement, refurbishing & expansion of the watch manufacturing facilities Rs. Nil lakhs (2008: Rs. 1041.13 lakhs; 2007: Rs. 1381.03 lakhs), expansion of jewellery making facilities Rs. Nil lakhs (2008: Rs. 492.34 lakhs; 2007: Rs. 466.83 lakhs), expansion of precision engineering manufacturing facilities Rs. Nil lakhs (2008 : Rs. 1025.63 lakhs; 2007: Rs. 539.46 lakhs) and redemption of preference shares and general corporate purposes Rs. Nil lakhs (2008: Rs. Nil lakhs; 2007: Rs. 4217.55 lakhs).
8. The 6.75% debentures are redeemable at par at the end of five years from the dates of allotment on May 12, 2006 and June 9, 2006 and are secured by way of legal mortgage on the immovable properties and plant and machinery situated at Hosur.
9. The term loans from banks shown under secured loans include :
 - a) Loan of Rs. Nil lakhs (2008: Rs. 500.00 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. 3332.33 lakhs (2008: Rs. 5000.00 lakhs) secured by a first charge by way of hypothecation of movable assets (save and except current assets) and secured by way of an equitable mortgage of immovable properties of the Company, both present and future.
 - c) Foreign currency loan of Rs. 2537.00 lakhs (2008: Rs. Nil lakhs) to be secured by a first charge over the Company's present and future fixed (movable and immovable) assets.
10. Non-fund based facilities availed of Rs. 25697.00 lakhs (2008 : Rs. 24419.00 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.
11. The security covered under notes 8 and 9 above rank pari passu. The security covered under note 10 rank pari passu with the security for the cash credit facility.
12. a) Dues to micro enterprises and small enterprises to whom the Company owes any sum, comprises of the following :

	Rupees in lakhs	
	2009	2008
a) Principal amount unpaid	36.98	10.16
Interest due on above	-	-
	36.98	10.16
- b) No interest payments have been made during the year.
- 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.
13. Exchange gain (net) included in the Profit and Loss Account is Rs. 97.11 lakhs (2008: Rs. 2557.77 lakhs).
14. Auditors remuneration comprises of fees for audit of statutory accounts Rs. 65.00 lakhs (2008: Rs. 65.00 lakhs), taxation matters Rs. 30.97 lakhs (2008: Rs. 15.25 lakhs), audit of consolidated accounts Rs. 7.00 lakhs (2008: Rs. 7.00 lakhs), other services Rs. 23.70 lakhs (2008: Rs. 27.75 lakhs) and reimbursement of levies and expenses Rs. 6.76 lakhs (2008: Rs. 6.29 lakhs).

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15. Excise duty of Rs. 4434.04 lakhs (2008: Rs. 4734.87 lakhs) reduced from gross sales in the Profit and Loss Account represents excise duty on sale of products.
16. Rates and taxes include the following :
- Rs. 88.67 lakhs (2008: Rs. 173.22 lakhs) being the difference in excise duty included in opening stock and closing stock of finished goods.
 - Rs. 3212.31 lakhs (2008: Rs. 3647.94 lakhs) being the excise duty paid on watch components transferred from Hosur factory to Dehradun, Baddi and Roorkee factories.
17. (a) Interest expense disclosed in the Profit and Loss Account is net of Rs. Nil (2008: Rs. 370.82 lakhs) being interest income on loans and advances.
- (b) Interest on fixed loans amounts to Rs. 1332.56 lakhs (2008: Rs. 1346.11 lakhs).
18. The Directors' remuneration of Rs. 252.32 lakhs (2008: Rs. 201.14 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. 8.42 lakhs (2008: Rs. 7.29 lakhs), perquisites Rs. 42.69 lakhs (2008: Rs. 36.85 lakhs), commission of Rs. 90.00 lakhs (2008: Rs. 80.00 lakhs) and commission to non whole-time directors of Rs. 80.00 lakhs (2008: Rs. 50.00 lakhs).

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

	Rupees in lakhs	
	2009	2008
Profit before taxes as per Profit and Loss Account	23055.62	20230.32
Add: Directors' remuneration	252.32	201.14
Directors' fees	11.55	8.60
Depreciation/amortisation provided in the accounts for the current year	4176.06	2972.77
Loss on sale/disposal/scrapping of fixed assets as per books (net)	1114.83	162.62
Provision for doubtful debts (net)	41.00	(442.00)
Provision for doubtful loans and advances (net)	-	165.22
Loss on sale of investments (net)	2.11	32.85
Deferred Revenue Expenditure written off – VRS	-	420.69
Wealth Tax	3.88	2.09
	28657.37	23754.30
Less: Depreciation as per Section 350 of the Companies Act, 1956 for the current year	3009.56	2748.10
Loss on sale/disposal/scrapping of fixed assets as per Section 350 of the Companies Act, 1956 (net)	1219.41	176.23
Net profit	24428.40	20829.97
Restricted to		
5% of net profit for whole-time directors	1221.42	1041.50
1% of net profits for non whole-time directors	244.28	208.30

19. 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 (2008: 12 million watches), 0.32 million jewellery pieces (2008: 0.32 million jewellery pieces) and 0.30 million clocks (2008: 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.
20. The Company produced 88,12,268 watches (2008: 93,79,573 watches) sold 82,69,424 watches – Rs. 72662.31 lakhs (2008: 94,22,228 watches - Rs. 76694.00 lakhs) and had a Closing Stock of 15,82,982 watches – Rs. 10318.94 lakhs (2008: 10,40,138 watches - Rs. 6959.22 lakhs, 2007: 10,82,793 watches – Rs. 8142.39 lakhs).
21. The Company produced 44,889 clocks (2008: 1,22,728 clocks) sold 72,378 clocks - Rs. 413.84 lakhs (2008: 1,24,728 clocks - Rs. 1313.31 lakhs) and had a closing stock of 3,198 clocks – Rs. Nil (2008: 30,687 clocks – Rs. Nil ; 2007: 32,687 clocks - Rs.11.54 lakhs)

Schedules forming part of the Accounts

22. The Company produced 12,43,717 jewellery pieces (2008: 12,17,174 jewellery pieces), purchased 88,950 jewellery pieces – Rs.24509.05 lakhs (2008: 82,405 jewellery pieces – Rs. 18137.14 lakhs), sold 13,64,813 jewellery pieces – Rs. 226503.14 lakhs (2008: 11,38,910 jewellery pieces – Rs. 171204.16 lakhs) and had a closing stock of 3,75,632 jewellery pieces – Rs. 75808.74 lakhs (2008: 4,07,778 jewellery pieces – Rs. 62966.35 lakhs, 2007: 2,47,109 jewellery pieces – Rs. 34110.83 lakhs).
23. The Company produced 8,17,162 coins (2008: 10,22,244 coins), sold 7,71,953 coins – Rs. 49130.44 lakhs (2008: 10,16,674 coins – Rs. 31311.27 lakhs) and had a closing stock of 91,813 coins – Rs. 1843.45 lakhs (2008: 46,604 coins – Rs. 2090.10 lakhs, 2007: 41,034 coins – Rs. 1994.94 lakhs)
24. The Company produced 115 machines (2008: 37 machines), capitalised 1 machine (2008: 2 machines), and sold 114 machines – Rs. 4280.00 lakhs (2008: 36 machines – Rs. 2025.61 lakhs), and had a closing stock of Nil (2008: Nil machine – Rs. Nil lakhs; 2007: 1 machine – Rs. 114.87 lakhs).
25. The Company purchased 15,79,562 watches – Rs. 8284.18 lakhs (2008: 10,93,343 watches – Rs. 5630.59 lakhs), sold 14,24,498 watches – Rs. 16337.02 lakhs (2008: 8,64,223 watches – Rs. 10270.14 lakhs) and had a closing stock of 4,99,112 watches – Rs. 4310.18 lakhs (2008: 3,44,048 watches – Rs. 2553.05 lakhs; 2007: 1,14,928 watches – Rs. 853.34 lakhs).
26. The Company purchased Nil clocks (2008: Nil), sold 2,478 clocks – Rs. 0.67 lakhs (2008: 418 clocks – Rs. 0.01 lakhs) and had a closing stock of 1112 clocks – Rs. Nil (2008: 3,590 clocks – Rs. Nil; 2007 - 4,008 clocks – Rs. Nil).
27. The Company purchased 9,59,733 eyewear products – Rs. 2112.33 lakhs (2008: 5,65,459 eyewear products – Rs.1436.51 lakhs), sold 8,53,597 eyewear products – Rs. 6484.76 lakhs (2008 : 5,72,138 eyewear products – Rs. 4052.66 lakhs) and had a closing stock of 2,74,498 eyewear products – Rs. 947.15 lakhs (2008 : 1,68,362 eyewear products – Rs. 619.70 lakhs; 2007 : 1,75,041 eyewear products – Rs. 675.91 lakhs).

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

28. Sales includes sale of scrap Rs. 576.17 lakhs (2008: Rs. 593.31 lakhs), sale of accessories Rs. 7313.84 lakhs (2008: Rs. 5824.44 lakhs), sale of tools and components Rs. 593.14 lakhs (2008 : Rs. 642.81 lakhs), sale of gold Rs. 4929.37 lakhs (2008: 829.07 lakhs), sale of precious stones Rs. 1568.43 lakhs (2008 : Rs. 1457.09 lakhs), income from services provided Rs. 254.02 lakhs (2008 : Rs. 181.09 lakhs) and is net of turnover based commission of Rs. 7246.03 lakhs (2008 : Rs. 5195.49 lakhs) and all discounts, including cash discount of Rs. 591.14 lakhs (2008 : Rs. 515.18 lakhs).
29. Analysis of raw materials and components consumed :

	Rupees in lakhs	
	2009	2008
Precious metals - Gold (2009:15484 Kgs.) ;(2008:15681 Kgs.)*	204894.59	169471.58
- Others	733.44	1836.17
Brass	997.02	1437.88
Steel	1028.57	1240.93
Components	26089.69	26617.67
Precious and semi-precious stones **	16965.66	12150.05
Sundry charges	1372.74	1170.40
	252081.71	213924.68

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 351 Kgs (2008: 80 Kgs) of gold sold costing Rs. 4175.71 lakhs (2008: Rs. 804.33 lakhs)

** Includes 1,193 nos (2008 : 1,006 nos) of precious stones sold costing Rs. 1142.09 lakhs (2008 : Rs. 1122.71 lakhs)

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

	2009		2008	
	Rupees in Lakhs	%	Rupees in Lakhs	%
Imported				
CIF Value	111575.98	44	118308.49	55
Customs duties	2035.30	1	2286.82	1
	113611.28	45	120595.31	56
Indigenous	138470.43	55	93329.37	44
	252081.71	100	213924.68	100

31. Analysis of imports on CIF basis :

	Rupees in lakhs	
	2009	2008
Raw materials and components	108811.83	112031.17
Stores and spares	1046.70	668.24
Capital goods	770.93	1488.22
	110629.46	114187.63

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

	Rupees in lakhs	
	2009	2008
Royalty	107.80	79.86
Professional and consultancy services	351.63	130.22
Interest	39.94	67.50
Others	2186.55	1036.63

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

	Rupees in lakhs	
	2009	2008
(i) Number of Shareholders	4	3
(ii) Number of equity shares on which dividend was paid	17,456	17,350
(iii) Year to which the dividend related	2007-08	2006-07
(iv) Amount remitted (net of tax) (Rupees in lakhs)	1.40	0.87

34. Earnings in foreign exchange :

	Rupees in lakhs	
	2009	2008
Export of goods on FOB basis	13011.21	13838.55
Interest	-	370.82
Others	244.90	30.36

35. Revenue expenditure directly attributable to research and development is estimated at Rs. 294.17 Lakhs (2008: Rs. 291.67 lakhs).

36. In the current year, the Company revised the estimated useful life of Furniture & Fixtures from 15 years to 5 years which has resulted in an additional depreciation charge of Rs. 789.82 lakhs.

Schedules forming part of the Accounts

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

	Rupees in lakhs	
	2009	2008
(a) Cost of vehicles	61.97	260.40
(b) Vehicles acquired during the year	-	-
(c) Net carrying amount	9.82	72.85
(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:		

(Previous year figures are in brackets)

	Rupees in lakhs	
	Minimum Lease Payments outstanding	Present value of Minimum Lease Payments outstanding
Not later than one year	3.84 (51.16)	3.14 (38.88)
Later than one year but not later than five years	- (3.84)	- (3.14)

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.

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

	Rupees in lakhs	
	2009	2008
For a period not later than one year	4225.81	2568.96
For a period later than one year but not later than five years	5793.50	4166.63
For a period later than five years	29.50	206.60
Total	10048.81	6942.19

(b) The Company has taken the above operating leases for non-cancellable periods ranging from 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 leases is Rs. 3902.34 lakhs (2008: Rs. 1930.31 lakhs).

39. (a) Sundry creditors include Rs. Nil lakhs (2008: Rs. 33.91 lakhs) towards liability for lease of vehicles which falls due later than one year.

(b) Current liabilities do not include any amount to be credited to Investor Education and Protection Fund except where there are pending legal cases amounting to Rs. 0.29 lakhs (2008: Rs. 0.10 lakhs) and therefore, amounts relating to the same could not be transferred.

40. Employee Benefits

a. Defined Contribution Plans

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

	Rupees in lakhs	
	2009	2008
Defined Contribution Plan		
Superannuation Fund	206.81	174.15
Employee Pension Fund (EPF)	237.93	216.34
Total	444.74	390.49

TITAN INDUSTRIES

Titan Industries Limited

Schedules forming part of the Accounts

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 has recognised 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 March 31, 2009 for Gratuity:

		Rupees in lakhs	
		2009	2008
I	Net Asset/(Liability) recognized in the Balance Sheet		
1	Present value of funded obligations	4039.92	3387.36
2	Fair Value of Plan Assets	(3569.57)	(2877.94)
3	(Deficit)/surplus	(470.35)	(509.42)
4	Net Asset/Liability		
	- Assets	-	-
	- Liabilities	470.35	509.42
II	Expense recognised in the Profit & Loss Account		
1	Current Service Cost	242.67	230.33
2	Interest Cost	283.83	219.54
3	Expected Return on Plan Assets	(224.68)	(166.74)
4	Actuarial Losses/(Gains)	168.53	226.29
5	Past Service Cost	-	-
	Total expenses recognised under the head "Payments to and provisions to employees Refer Schedule J"	470.35	509.42
III	Change in present value of obligation		
1	Present value of Defined Benefit Obligation at the beginning of the year	3387.36	2812.99
2	Current Service Cost	242.67	230.33
3	Interest Cost	283.83	219.54
4	Actuarial Losses/(Gains)	251.48	230.58
5	Benefits Paid	(125.42)	(106.08)
6	Present value of Defined Benefit Obligation at the end of the year	4039.92	3387.36
IV	Change in fair value of Plan assets		
1	Fair value of plan assets at the beginning of the year	2877.94	2225.79
2	Expected Return on Plan assets	224.68	166.74
3	Actuarial Losses/(Gains)	82.95	4.29
4	Assets distributed on settlement	-	-
5	Contributions by employer	509.42	587.20
6	Benefits Paid	(125.42)	(106.08)
7	Fair value of plan assets at the end of the year	3569.57	2877.94
	Actual Return on Plan assets	307.63	171.03

Schedules forming part of the Accounts

		Rupees in lakhs	
		2009	2008
V	The major categories of Plan Assets as a percentage of total Plan Assets		
	1 Government of India Securities	47%	41%
	2 Corporate bonds	47%	51%
	3 Others	6%	8%
VI	Principal actuarial assumptions		
	Discount Rate	7.95% p.a	8.00% 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.		

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

(ii) Unfunded

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

Rupees in lakhs		
	Liability as on 31.03.2009	Liability as on 31.03.2008
Compensated absences/Leave salary	2654.11	2197.96
Pension	305.71	287.02

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

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

41. a) The sell/buy forward contracts (net) outstanding as at March 31, 2009 in respect of hedging of price of gold, for the jewellery business, is 2765 kgs, Rs. 41231.49 lakhs (2008: 1760 kgs, Rs. 20143.48 lakhs).
- b) Marked to market losses on forward contract relating to gold price hedging debited to Profit & Loss Account is Rs. 52.00 lakhs (2008: Rs. Nil).
- c) The Company has two forward exchange contracts outstanding for US Dollar 0.05 million equivalent to Rs. 28.34 lakhs (2008: Rs. Nil) to hedge foreign currency risk of firm commitments of sales and two forward exchange contracts outstanding to hedge foreign currency risk of loans payable for US Dollars 5 million equivalent to Rs. 2537.00 lakhs (2008: Rs. Nil).
- d) During the year the Company had entered into a currency swap to hedge its foreign currency and interest rate exposures relating to foreign currency loan of US Dollars 5 million equivalent to Rs 2537.00 lakhs. An amount of Rs. 37.05 lakhs (2008: Rs. Nil) has been debited to the Profit and Loss Account on account of marked to market losses.
- e) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2009 are given below:
- i Amounts receivable in foreign currency as at March 31, 2009

Nature of receivables	Amount in Lakhs	
	Rupees	Foreign currency
Export of goods		
USD	1742.07 (2866.43)	34.34 (71.48)
SGD	0.86 (0.75)	0.03 (0.03)
GBP	53.87 (101.44)	0.74 (1.27)

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Titan Industries Limited

Schedules forming part of the Accounts

(Previous year figures are in brackets)

Nature of receivables	Amount in Lakhs	
	Rupees	Foreign currency
HKD	125.11 (115.39)	19.18 (22.41)
EURO	99.69 (141.83)	1.49 (2.24)
Loans and advances		
USD	32.26 (330.00)	0.64 (8.23)

ii Amounts payable in foreign currency as at March 31, 2009

(Previous year figures are in brackets)

Nature of payables	Amount in lakhs	
	Rupees	Foreign currency
Import of goods and services		
USD	178.04 (498.79)	3.50 (12.44)
EURO	- (7.15)	- (0.11)
HKD	3.41 (4.25)	0.52 (0.82)
CHF	156.03 (102.81)	3.52 (2.55)
JPY	2.79 (24.17)	5.46 (60.03)
GBP	1.32 (-)	0.02 (-)

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

Rupees in lakhs

	As at 31.03.2008	Tax effect for the year	As at 31.03.2009
Deferred Tax (Liability)			
Fixed Assets	(3688.08)	401.26	(3286.82)
Sub Total	(3688.08)	401.26	(3286.82)
Deferred Tax Asset			
Provision for doubtful debts	233.29	13.94	247.23
Disallowances under Section 43B	42.62	219.48	262.10
Provision for leave salary/gratuity	674.37	155.05	829.42
Deferred revenue expenditure	266.63	(136.36)	130.27
Sub Total	1216.91	252.11	1469.02
Net Deferred Tax Asset/(Liability)	(2471.17)	653.37	(1817.80)

Schedules forming part of the Accounts

43. 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.
Tanishq (India) Ltd. (from February 18, 2008)
Titan Properties Ltd. (from February 18, 2008)
Titan Mechatronics Ltd. (from February 18, 2008)
Titan International Holdings B V (upto December 30, 2007)
- c) Associates : Tanishq (India) Ltd. (upto February 17, 2008)
Titan Properties Ltd. (upto February 17, 2008)
Titan Mechatronics Ltd. (upto February 17, 2008)
Titan International Marketing Ltd. (upto December 30, 2007)
Titan International (Middle East) FZE (upto December 30, 2007)
- d) Key Management Personnel : Mr.Bhaskar Bhat, Managing Director

Samrat Holdings Ltd., Titan Holdings Ltd. and Questar Investments Ltd. which were associates upto February 17, 2008 and became subsidiaries from February 18, 2008 have been amalgamated with the Company and therefore, transactions with these companies during the previous year only have been disclosed.

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

(Previous year figures are in brackets)

Rupees in lakhs						
Sl. No	Nature of transaction	Promoters	Subsidiaries	Associates	Key Management Personnel	Total
1.	Purchase of components and finished goods	- (-)	1376.84 (1597.61)	- (1502.51)	- (-)	1376.84 (3100.12)
2.	Sale of components and finished goods	2.87 (20.64)	42.40 (44.52)	- (91.69)	- (-)	45.27 (156.85)
3.	Reimbursement of expenses	0.41 (0.19)	- (-)	- (-)	- (-)	0.41 (0.19)
4.	Interest income	- (-)	- (275.47)	- (-)	- (-)	- (275.47)
5.	Interest expense	37.34 (37.34)	56.04 (33.69)	- (251.98)	- (-)	93.38 (323.01)
6.	Rent paid	52.31 (35.33)	- (-)	- (-)	- (-)	52.31 (35.33)
7.	Rental deposit	300.00 (-)	- (-)	- (-)	- (-)	300.00 (-)
8.	Dividend paid	1304.90 (815.56)	- (-)	- (-)	- (-)	1304.90 (815.56)
9.	Commission and sitting fees to non whole-time directors	33.07 (16.70)	- (-)	- (-)	- (-)	33.07 (16.70)
10.	Intercorporate deposits taken	- (-)	835.00 (178.00)	- (367.00)	- (-)	835.00 (545.00)

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Rupees in lakhs

Sl. No	Nature of transaction	Promoters	Subsidiaries	Associates	Key Management Personnel	Total
11.	Intercorporate deposits repaid	- (-)	205.00 (-)	- (345.00)	- (-)	205.00 (345.00)
12.	Brand equity subscription	614.23 (503.55)	- (-)	- (-)	- (-)	614.23 (503.55)
13.	Recovery of expenses	- (-)	12.63 (10.43)	- (-)	- (-)	12.63 (10.43)
14.	Rendering of services	33.22 (29.89)	52.61 (30.56)	- (-)	- (-)	85.83 (60.45)
15.	Managerial remuneration	- (-)	- (-)	- (-)	172.32 (151.14)	172.32 (151.14)
16.	Advances recovered	- (-)	- (-)	- (-39.98)	- (-)	- (-39.98)
17.	Sale of investments – Equity Shares	- (-)	- (-)	- (5.85)	- (-)	- (5.85)
18.	Purchase of investments – Equity Shares	- (935.57)	- (-)	- (501.27)	- (-)	- (1436.84)
19.	Sale of debentures (Refer Note 2(v))	- (-)	15.47 (-)	- (-)	- (-)	15.47 (-)

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.	1376.84 (1597.61)
	Associate	Titan International (Middle East) FZE	- (1236.72)
(b) Dividend Paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	989.91 (618.69)
		Tata Sons Ltd.	314.99 (196.87)
(c) Intercorporate deposits taken	Associate	Samrat Holdings Ltd.*	- (360.00)
	Subsidiary	Tanishq (India) Ltd.	340.00 (135.00)
	Subsidiary	Titan Properties Ltd.	495.00 (-)
(d) Intercorporate deposits repaid	Associate	Samrat Holdings Ltd.*	- (210.00)
	Subsidiary	Titan Properties Ltd.	205.00 (-)

Schedules forming part of the Accounts

(Previous year figures are in brackets)

Rupees in lakhs

Nature of transaction	Category	Name	Amount
(e) Interest Income	Subsidiary	Titan International Holdings B.V.	- (275.47)
(f) Interest Expense	Associate	Samrat Holdings Ltd.*	- (239.44)
(g) Rental Deposit	Promoters	Tata Sons Ltd.	300.00 (-)
(h) Brand equity subscription	Promoters	Tata Sons Ltd.	614.23 (503.55)
(i) 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	Subsidiaries	Key Management Personnel	Total
Debit balance				
Titan Time Products Limited	- (-)	143.01 (205.78)	- (-)	143.01 (205.78)
Total Debit Balance	- (-)	143.01 (205.78)	- (-)	143.01 (205.78)
Credit balance				
Tata Sons Limited	270.29 (473.12)	- (-)	- (-)	270.29 (473.12)
Tamilnadu Industrial Development Corporation Limited	28.94 (14.22)	- (-)	- (-)	28.94 (14.22)
Tanishq (India) Limited	- (-)	591.07 (371.15)	- (-)	591.07 (371.15)
Titan Properties Limited	- (-)	290.00 (0.18)	- (-)	290.00 (0.18)
Questar Investments Limited *	- (-)	- (53.06)	- (-)	- (53.06)
Samrat Holdings Limited *	- (-)	- (4642.76)	- (-)	- (4642.76)
Titan Holdings Limited *	- (-)	- (3.30)	- (-)	- (3.30)
Mr Bhaskar Bhat	- (-)	- (-)	93.80 (83.27)	93.80 (83.27)
Total Credit Balance	299.23 (487.34)	881.07 (5070.45)	93.80 (83.27)	1274.10 (5641.06)

* These Companies have been amalgamated with the Company.

TITAN INDUSTRIES

Titan Industries Limited

Schedules forming part of the Accounts

44. Earnings per share :

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

	Rupees in lakhs	
	2009	2008
Net Profit	15,896.35	15,026.74
a) Weighted average number of equity shares	4,43,89,308	4,43,89,308
b) i) Nominal value of shares (Rs.)	10	10
ii) Earnings per share - Basic and diluted (Rs.)	35.81	33.85

45. Segment information for the year ended March 31, 2009

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)	90697 (87588)	276023 (202629)	13618 (9157)	- (-)	380338 (299374)
Segment Result					
Before interest, other income and taxes	13634 (13391)	16143 (10827)	-2422 (-1438)	-1882 (-713)	25473 (22067)
Add : Other Income	152 (111)	297 (47)	11 (5)	66 (14)	526 (177)
Profit before interest and taxes	13786 (13502)	16440 (10874)	-2411 (-1433)	-1816 (-699)	25999 (22244)
Less : Interest (net)					2943 (2014)
Profit before taxes					23056 (20230)
Taxes					7160 (5203)
Profit after taxes					15896 (15027)
Other Information					
Segment Assets	53832 (49508)	109014 (93514)	12504 (10016)	2590 (6809)	177940 (159847)
Segment Liabilities	17863 (16795)	75371 (63560)	3445 (2961)	6778 (4694)	103457 (88010)
Capital expenditure	2162 (1826)	3313 (1560)	1216 (1359)	- (-)	6691 (4745)
Depreciation/amortisation	2022 (1824)	1255 (690)	847 (422)	52 (37)	4176 (2973)
Non cash expenses other than depreciation/ amortisation	12 (21)	129 (302)	11 (38)	70 (5)	222 (366)

Schedules forming part of the Accounts

Total unallocable liabilities exclude

	Rupees in lakhs
	Total
Secured loans	11676
	(18811)
Unsecured loans	5865
	(6938)
Deferred tax liability (Net)	1818
	(2471)

b) Secondary Geographical Segments

	Rupees in lakhs			
	India	USA	Others	Total
Revenue	367115	2618	10605	380338
	(285448)	(1997)	(11929)	(299374)

The operating facilities of the Company are commonly employed for both the domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segments.

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

46. The figures of the previous year are without giving effect to the amalgamation and therefore are not directly comparable with the figures of the current year which are after giving effect to the amalgamation.
47. The figures of the previous year have been regrouped/recast, where necessary, to conform to the current year classification.

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Bhaskar Bhat
Managing Director

B. Ramaratnam
Partner

K F Kapadia
Executive Vice President - Finance

Bangalore, April 29, 2009

Usha Iyengar
Company Secretary

M F Farooqui Ishaat Hussain S. Ramasundaram N N Tata T K Balaji C. G. Krishnadas Nair Nihal Kaviratne Vinita Bali V Parthasarathy R Poornalingam Hema Ravichandar	Chairman Directors
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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

1. Name of Subsidiary	Titan TimeProducts Ltd.	Titan Properties Ltd.	Tanishq (India) Ltd.	Titan Mechatronics Ltd.
2. Financial year of the Subsidiary	31st March, 2009	31st March, 2009	31st March, 2009	31st March, 2009
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)	* 335,009 equity shares of Rs. 10 each (fully paid up)	** 1,931,300 equity shares of Rs. 10 each (fully paid up)	*** 50,930 equity shares of Rs. 10 each (fully paid up)
b) Extent of Holding	100%	99.99%	99.99%	99.86%
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, 2009	Nil	Nil	Nil	Nil
b) Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2009	Rs. 8,067,586	Rs. 38,202,459	Rs. 2,330,021	Rs. 54,187
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, 2009	Nil	Nil	Nil	Nil
b) Not dealt with in the accounts of Titan Industries Limited for the year ended 31st March, 2009	Rs. 29,583,777	Rs. (141,064)	Rs. 36,655,925	Rs. 238,106

Including shares held by Subsidiaries as under:

- 9 shares held by Titan Mechatronics Ltd. and Tanishq (India) Ltd.
- ** 950 shares held by Titan Mechatronics Ltd.
- ***10,900 shares held by Tanishq (India) Ltd.

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui
Ishaat Hussain
S. Ramasundaram
N N Tata
T K Balaji
C G Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar

Chairman

Directors

Bangalore, June 10, 2009

TITAN INDUSTRIES

Titan Industries Limited

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2009

Name of Subsidiary	Titan TimeProducts Ltd.	Titan Properties Ltd.	Tanishq (India) Ltd.	Titan Mechatronics Ltd.
(a) Share Capital	Rs. 1,90,00,000	Rs. 3,350,200	Rs. 19,313,190	Rs. 510,000
(b) Reserves	Rs. 3,76,19,220	Rs. 37,886,067	Rs. 60,887,546	Rs. 950,965
(c) Total Assets	Rs. 9,15,93,828	Rs. 42,566,761	Rs. 81,759,163	Rs. 1,479,394
(d) Total Liabilities	Rs. 3,49,74,608	Rs. 1,330,494	Rs. 1,558,427	Rs. 18,429
(e) Investments*	-	-	Rs. 5,000,000	Rs. -
(f) Income	Rs. 15,91,37,861	Rs. 272,057,884	Rs. 3,878,334	Rs. 95,100
(g) Profit/[Loss] before tax	Rs. 1,27,10,472	Rs. 57,874,684	Rs. 3,505,096	Rs. 79,187
(h) Taxes	Rs. 46,42,886	Rs. 19,672,225	Rs. 1,175,075	Rs. 25,000
(i) Profit/[Loss] after tax	Rs. 80,67,586	Rs. 38,202,459	Rs. 2,330,021	Rs. 54,187
(j) Proposed Dividend	Nil	Nil	Nil	Nil

The value of Investments in item (e) are included under Total Assets in item (c).
* excluding investments in fellow subsidiaries and parent company

For and on behalf of the Board of Directors,

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui
Ishaat Hussain
S. Ramasundaram
N N Tata
T K Balaji
C G Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar

Chairman

Directors

Bangalore, June 10, 2009

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, 2009 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. 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 notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.
b) In our opinion 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 March 31, 2009;
 - (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 **Deloitte Haskins & Sells**
Chartered Accountants

Place: Bangalore
Date: 29th April, 2009

B. Ramaratnam
Partner
(Membership No. 21209)

TITAN INDUSTRIES

Titan Group

Consolidated Balance Sheet as at March 31, 2009

		Rupees in lakhs	
SOURCES OF FUNDS	Schedule	As at March 31, 2009	As at March 31, 2008
Shareholders' funds			
Share capital	A	4438.93	4438.93
Reserves and surplus	B	51347.53	40141.02
		55786.46	44579.95
Loan funds			
Secured loans	C	11657.93	18854.91
Unsecured loans	D	5000.00	2132.50
		16657.93	20987.41
Deferred tax liability (Net)		1880.34	2534.45
Total		74324.73	68101.81
APPLICATION OF FUNDS			
Fixed assets			
Gross block, at cost	E	60584.67	57308.88
Less : Depreciation		32588.98	29541.19
Net block		27995.69	27767.69
Advances on capital account and capital work in progress, at cost		1952.49	1003.90
		29948.18	28771.59
Investments	F	159.51	234.44
Deferred tax asset (Net)		9.29	12.90
Current assets, loans and advances			
Inventories	G	120483.85	104396.67
Sundry debtors		10603.80	9929.57
Cash and bank balances		5639.54	5538.85
Loans and advances		11499.38	10486.70
		148226.57	130351.79
Less :			
Current liabilities and provisions			
Current liabilities	H	94557.80	83363.26
Provisions		9461.02	7905.65
		104018.82	91268.91
Net current assets		44207.75	39082.88
Total		74324.73	68101.81
Notes			
	K		

The Schedules referred to above form an integral part of the Balance Sheet

Per our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors,

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui
Ishaat Hussain
S. Ramasundaram
N N Tata
T K Balaji
C. G. Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar

Chairman

Directors

Bangalore, April 29, 2009

Consolidated Profit and Loss Account for the year ended March 31, 2009

	Schedule	Year ended March 31, 2009	Rupees in lakhs Year ended March 31, 2008
INCOME			
Sales		387866.15	304655.55
Less : Excise Duty		4602.26	4967.80
Net Sales Income		383263.89	299687.75
Other income	I	530.68	338.70
Total		383794.57	300026.45
EXPENDITURE			
Operating and other expenses	J	352874.04	275696.20
Depreciation/Amortisation		4234.73	3331.89
Interest		2879.27	2080.67
Total		359988.04	281108.76
PROFIT BEFORE TAXES			
		23806.53	18917.69
Income taxes - Current		6549.30	3359.14
- Deferred		(650.50)	727.57
- Fringe benefit tax		423.98	373.14
		6322.78	4459.85
PROFIT AFTER TAXES			
		17483.75	14457.84
Less : Income tax of earlier years		1091.64	801.95
		16392.11	13655.89
Share of Profits less losses of associates		-	1100.48
NET PROFIT			
		16392.11	14756.37
Profit brought forward		21741.62	14012.67
		38133.73	28769.04
Add: On amalgamation		197.17	-
Less: Adjustment in respect of associates becoming subsidiaries		-	760.83
AMOUNT AVAILABLE FOR APPROPRIATION			
		38330.90	28008.21
Appropriations			
Dividend on preference shares		-	-
Statutory Fund		-	1.06
Proposed dividend on equity shares		4,438.93	3551.14
Tax on dividends		754.40	603.52
Transfer to general reserve		10927.00	1582.87
Transfer to debenture redemption reserve		528.00	528.00
		16648.33	6266.59
Balance carried to Balance Sheet		21682.57	21741.62
Earnings per share - Basic and diluted (Rs.)		36.93	33.24
Notes	K		

The Schedules referred to above form an integral part of the Profit and Loss Account

Per our report attached to the Balance Sheet

For and on behalf of the Board of Directors,

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui
Ishaat Hussain
S. Ramasundaram
N N Tata
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R Poornalingam
Hema Ravichandar

Chairman

Directors

Bangalore, April 29, 2009

TITAN INDUSTRIES

Titan Group

Consolidated Cash Flow Statement for the year ended March 31, 2009

	Rupees in lakhs	
	Current year	Previous year
A. Cash flow from operating activities		
Net profit before tax	23806.53	18917.69
Adjustments for :		
- Depreciation/Amortisation	4234.73	3331.89
- Unrealised Exchange difference (net)	(40.71)	213.84
- Marked to Market loss	89.05	-
- Loss on sale/disposal/scrapping of fixed assets (net)	1116.05	162.68
- Loss on sale of Investments	-	780.48
- Bad debts written off	-	3.09
- Provision for doubtful debts	41.00	162.94
- Provision for doubtful advances	-	2.34
- Interest income	(393.84)	(110.89)
- Dividend income	(0.04)	-
- Interest expense	2879.27	2080.67
- Deferred revenue expenditure written off	-	420.69
Operating profit before working capital changes	31732.04	25965.42
Adjustments for :		
- (Increase)/Decrease in sundry debtors	(660.55)	(72.81)
- (Increase)/Decrease in inventories	(16087.18)	(34313.96)
- (Increase)/Decrease in loans and advances	(3287.46)	(2159.25)
- Increase/(Decrease) in current liabilities and provisions	10977.77	27604.90
Cash generated from operations	22674.62	17024.30
- Direct taxes paid	(6169.84)	(6255.24)
Net cash from/(used in) operating activities (A)	16504.78	10769.06
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	(6891.41)	(5235.37)
Proceeds from sale of fixed assets	245.76	76.96
Purchase of investments - subsidiaries	-	(2086.68)
Purchase of investments - others	-	(62.19)
Proceeds from sale of investments - subsidiaries	-	16.64
Proceeds from sale of investments - others	74.93	-
Dividend received	0.04	-
Interest received	765.54	496.30
Net cash from/(used in) investing activities (B)	(5805.14)	(6794.34)
C. Cash flow from financing activities		
Proceeds from new borrowings	23982.26	34509.04
Repayment of borrowings	(28525.81)	(33762.58)
Dividends paid	(3529.04)	(2206.88)
Tax on dividends paid	(603.52)	(377.20)
Interest paid	(1936.49)	(2287.26)
Net cash from/(used in) financing activities (C)	(10612.60)	(4124.88)
Net cash flows during the year (A+B+C)	87.04	(150.16)
Cash and cash equivalents (opening balance) {refer Schedule G}	5538.85	5103.35
Add/(Less): Unrealised exchange (gain)/loss	27.48	(40.64)
Add : Cash and cash equivalents on associates becoming subsidiaries	-	653.78
	5566.33	5716.49
Cash and cash equivalents (closing balance) {refer Schedule G}	5639.54	5538.85
Add/(Less): Unrealised exchange (gain)/loss	13.83	27.48
	5653.37	5566.33
Increase/(decrease) in cash and cash equivalents	87.04	(150.16)

Per our report attached to the Balance Sheet
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors,

B. Ramaratnam
Partner

Bhaskar Bhat
Managing Director

K F Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M F Farooqui Chairman
Ishaat Hussain
S.Ramasundaram
N N Tata
T K Balaji
C. G.Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V Parthasarathy
R Poornalingam
Hema Ravichandar Directors

Bangalore, April 29, 2009

Schedules forming part of Consolidated Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" 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 (2008 : 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		
As per last Balance Sheet	13.23	13.23
Add : On amalgamation {refer Note 3(iv)}	0.05	-
	13.28	13.23
Capital reserve on consolidation		
As per last Balance Sheet	1065.23	1065.23
Less : On amalgamation	993.16	-
	72.07	1065.23
Capital redemption reserve	10.00	10.00
Statutory reserve		
As per last Balance Sheet	1.06	1.06
Less: On amalgamation	1.06	-
	-	1.06
Share premium account		
As per last Balance Sheet	13357.02	13357.02
Add : On amalgamation {refer Note 3(iv)}	531.25	-
	13888.27	13357.02
Debenture redemption reserve		
As per last Balance Sheet	1013.00	485.00
Add : Transfer from Profit and Loss Account	528.00	528.00
	1541.00	1013.00
General reserve		
As per last Balance Sheet	2939.86	1356.99
Add : On amalgamation {refer Note 3(iv)}	5884.38	-
Less : Deficit on amalgamation {refer Note 3(iii)}	5610.90	-
Add : Transfer from Profit and Loss Account	10927.00	1582.87
	14140.34	2939.86
Balance in Profit and Loss Account	21682.57	21741.62
	51347.53	40141.02

TITAN INDUSTRIES

Titan Group

Schedules forming part of Consolidated Balance Sheet

Rupees in lakhs

	As at March 31, 2009	As at March 31, 2008
" C " Secured loans		
6.75% non convertible debentures of Rs. 250 each, fully paid up (refer Note 9)	5265.02	5265.02
Term loans from banks {refer Note 10(a) and (b)}	3332.33	5500.00
Foreign Currency loan {refer Note 10(c) }	2537.00	-
Cash credit account secured by hypothecation of book debts, inventories, stores and spares both present and future	523.58	8089.89
	11657.93	18854.91
" D " Unsecured loans		
Fixed deposits	-	132.50
Short term loans and advances from banks	5000.00	2000.00
	5000.00	2132.50

" E " Fixed Assets

Rupees in lakhs

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost As at 01-04-2008	Additions/ Adjustments	Deductions	Cost As at 31-03-2009	As at 01-04-2008	For the year	Deductions/ Adjustments	As at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land - freehold	232.23	-	2.94	229.29	-	-	-	-	229.29	232.23
Land - leasehold	156.37	-	-	156.37	8.15	0.51	-	8.66	147.71	148.22
Buildings	5719.99	131.49	42.69	5808.79	1726.72	155.68	4.95	1877.45	3931.34	3993.27
Plant, machinery and equipment	39858.74	3221.49	773.48	42306.75	24606.33	2132.69	436.13	26302.89	16003.86	15252.41
Furniture, fixtures and equipment	4124.92	2177.79	1188.65	5114.06	1532.84	1174.34	245.93	2461.25	2652.81	2592.08
Vehicles	584.65	293.77	236.12	642.30	307.76	138.80	195.06	251.50	390.80	276.89
Intangible assets										
- Trademarks	6327.11	-	-	6327.11	1054.52	632.71	-	1687.23	4639.88	5272.59
- Goodwill on consolidation	304.87	(304.87)	-	-	304.87	-	304.87	-	-	-
TOTAL	57308.88	5519.67	2243.88	60584.67	29541.19	4234.73	1186.94	32588.98	27995.69	
As at 31st March, 2008	52577.52	5816.30	1084.94	57308.88	27047.89	3331.89	838.59	29541.19		27767.69
Advances on capital account and capital work in progress, at cost									1952.49	1003.90
									29948.18	28771.59

Schedules forming part of Consolidated Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
“ F ” Investments		
Trade Investments (Long-term) - Unquoted		
Innoviti Embedded Solutions Private Limited (5,25,000 shares of Rs. 10 each)	100.00	100.00
Non-Trade Investments (Long-Term) - Quoted		
Timex Watches Limited (100 shares of Rs. 10 each)	0.01	0.01
National Radio Electronics Company Limited (1,000 shares of Rs. 10 each)	0.10	0.10
Tata Steel Limited (1,800 shares of Rs. 10 each)	3.27	3.27
Tata Tea Limited (600 shares of Rs. 10 each)	2.34	2.34
Tata Chemicals Limited (560 shares of Rs. 10 each)	1.40	1.40
Trent Limited (300 shares of Rs. 10 each)	0.92	0.92
Titan Alloys Limited (100 shares of Rs. 10 each)	0.02	0.02
Titan Foods and Fashions Limited (100 shares of Rs. 10 each)	0.01	0.01
Titan Biotech Limited (100 shares of Rs. 10 each)	0.02	0.02
Titan Securities Limited (100 shares of Rs. 10 each)	0.01	0.01
	8.10	8.10
Less: Provision for diminution	0.07	0.07
	8.03	8.03
Non-Trade Investments (Long-term) - Unquoted		
The Central India Spinning and Weaving Mills Limited (1,14,663 Shares of Rs. 50 each)	-	-
Tata Mills Limited (97,624 Shares of Rs 25 each)	-	-
The Central India Press Limited (400 Shares of Rs. 25 each)	-	-
5.50% - Rural Electrification Corporation Limited (500 Non-Convertible redeemable Taxable Bonds of Rs.10,000 each)	50.00	50.00
	50.00	50.00

TITAN INDUSTRIES

Titan Group

Schedules forming part of Consolidated Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" F " Investments (Contd.)		
Others - Long-term - Quoted		
Unit Trust of India	-	74.93
6.75% tax free bonds of Rs. 100 each of Nil (2008: 74,932)		
Tata Steel Limited	1.35	1.35
Cumulative Convertible Preference Shares (1,350 fully paid 2% Cumulative Convertible Preference Shares of Rs. 100 each)		
Trent Limited	0.13	0.13
(25 fully paid Non-Convertible Debentures of Rs.500 each)		
	1.48	76.41
	159.51	234.44
Aggregate amount of quoted investments	9.51	84.44
Aggregate amount of unquoted investments	150.00	150.00
Market value of quoted investments	9.87	85.25
" G " Current assets, loans and advances		
Inventories		
Consumable stores	410.85	381.07
Loose tools	417.05	413.30
Raw materials and bought-out components	18960.58	18657.59
Contract Work in progress	32.87	2156.24
Work in progress	7248.37	7398.15
Finished goods	93414.13	75390.32
	120483.85	104396.67
Sundry debtors (unsecured)		
Over six months		
Considered good	1245.69	727.17
Considered doubtful	754.28	713.28
	1999.97	1440.45
Others - considered good	9358.11	9202.40
	11358.08	10642.85
Less: Provision for doubtful debts	754.28	713.28
	10603.80	9929.57
Cash and bank balances		
Cash on hand	278.79	257.04
Cheques on hand	992.60	993.80
With scheduled banks - in current accounts	2337.27	430.70
- on deposit	138.67	302.51
- in transit	1830.48	3552.55
With non scheduled banks - in current accounts	61.73	2.25
	5639.54	5538.85

Schedules forming part of Consolidated Balance Sheet

	Rupees in lakhs	
	As at March 31, 2009	As at March 31, 2008
" G " Current assets, loans and advances (Contd.)		
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	9521.50	7277.36
Considered doubtful	5618.70	5618.70
	15140.20	12896.06
Less: Provision for doubtful loans and advances	5618.70	5,618.70
	9521.50	7277.36
Tax payments, net of provision	281.38	2186.82
Balances with customs and excise authorities	1696.50	1022.52
	11499.38	10486.70
	148226.57	130351.79
" H " Current liabilities and provisions		
Current liabilities		
Sundry creditors	69661.75	68104.68
Deferred income on group transactions	452.49	452.49
Unclaimed dividends	93.20	71.10
Advance from customers	23932.23	14371.94
Interest accrued but not due on loans	418.13	363.05
	94557.80	83363.26
Provisions		
Provision for taxes net of payments	-	10.36
Proposed dividend on equity shares	4438.93	3551.14
Tax on dividends	754.40	603.52
Retiring gratuities and pension	841.76	843.48
Leave Salaries	2704.96	2236.59
Others {refer Note 5(a) and (b)}	720.97	660.56
	9461.02	7905.65
	104018.82	91268.91

TITAN INDUSTRIES

Titan Group

Schedules forming part of Consolidated Profit and Loss Account

	Rupees in lakhs	
	Year ended 31st March, 2009	Year ended 31st March, 2008
" I " Other income		
Interest from staff loans, vendor advances and bank deposits - gross	391.31	105.83
Interest from Tax free bonds of Unit Trust of India	2.53	5.06
Royalty Income	-	147.75
Miscellaneous income	136.84	80.06
	530.68	338.70
" J " Operating and other expenses		
Raw materials and components consumed	251564.12	213339.86
Loose tools, stores and spare parts consumed	7080.76	4251.54
Purchase of finished goods	34956.83	25067.51
Salaries, wages and bonus	20713.77	16622.49
Company's contribution to Provident and other funds	972.58	844.25
Welfare expenses	1466.08	1304.60
Gratuity	493.03	514.23
Deferred revenue expenditure written off - VRS	-	420.69
Other expenses		
Power and fuel	1639.25	1417.71
Repairs to buildings	137.78	158.31
Repairs to plant and machinery	921.22	625.31
Office and administration expenses	153.79	69.04
Advertising	18136.33	15155.10
Selling and distribution expenses	4855.45	4028.67
Insurance	329.72	300.25
Rent	7712.10	3075.29
Rates and taxes	5542.61	5806.62
Travel	1672.04	1467.36
Loss on sale/ disposal/ scraping of fixed assets (net)	1116.05	162.68
Bad debts written off	-	3.09
Provision for doubtful debts	41.00	162.94
Provision for doubtful advances	-	2.34
Loss on sale of investments	-	780.48
Provisions of earlier years written back	-	(1058.99)
Gold price hedging costs (net)	(2199.38)	5410.20
General expenses	11248.97	5449.61
	51306.93	43016.01

Schedules forming part of Consolidated Profit and Loss Account

		Rupees in lakhs	
		Year ended 31st March, 2009	Year ended 31st March, 2008
" J " Operating and other expenses (Contd.)			
Commission to Non Whole-time Directors		80.00	50.00
Decrease/ (Increase) in work in progress and finished goods			
Closing stocks			
Contract work in progress	32.87		2156.24
Work in progress	7248.37		7398.15
Finished goods	93414.13		75390.32
		100695.37	84944.71
Opening stocks			
Contract work in progress	2156.24		2156.24
Work in progress	7398.15		6985.34
Finished goods	75390.32		46070.17
		84944.71	55211.75
		(15750.66)	(29732.96)
		352883.44	275698.22
Less: Expenses capitalised		9.40	2.02
		352874.04	275696.20

TITAN INDUSTRIES

Titan Group

Schedules 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 notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.

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	
		31.03.2009	31.03.2008
Titan TimeProducts Limited	India	100%	100%
Samrat Holdings Limited (*)	India	-	100%
Questar Investments Limited (*)	India	-	100%
Titan Holdings Limited (*)	India	-	100%
Titan Properties Limited (**)	India	99.99%	99.99%
Titan Mechatronics Limited (**)	India	99.88%	99.88%
Tanishq (India) Limited (**)	India	99.99%	99.99%

(*) Amalgamated during the year (Refer note 3)

(**) Amount of minority interest is insignificant.

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. March 31, 2009. Financial statements of all subsidiaries included in consolidation are audited.

2. 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/ or delivered to customers as per the terms of the contract. Sale of property is accounted when title to property passes to the buyer.

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 - @ 25% instead of 16.21%

Vehicles - @ 25% instead of 9.50%

Furniture & Fixtures - @ 20% instead of 6.33% (Refer Note 18)

Leased assets - depreciated over the primary lease period.

Schedules forming part of the Consolidated Accounts

- 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: 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 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.

Defined Contribution Plan

Company's contributions to the Superannuation Fund which is self managed Fund and Pension Fund administered by Regional Provident Fund 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.

TITAN INDUSTRIES

Titan Group

Schedules forming part of the Consolidated Accounts

xii. **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 reverse during subsequent periods.

xiii. **Segment accounting:** 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 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.

xiv. **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.

xv. **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.

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

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

3. i. Pursuant to the Scheme of amalgamation of Samrat Holdings Limited (SHL), Questar Investments Limited (QIL) and Titan Holdings Limited (THL) (wholly owned subsidiaries of the Company carrying on investment activities) with the Company as sanctioned by the High Courts of Bombay and Karnataka, all assets and liabilities have been transferred to and vested in the Company retrospectively with effect from April 1, 2007.

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

iii. Pursuant to the Scheme, no shares were issued to the amalgamating companies, being wholly-owned subsidiaries of the Company. The net deficit on amalgamation of Rs. 5610.90 lakhs representing excess of the cost of investments in amalgamating companies over their issued share capital has been adjusted against General Reserve. After adjustment of net deficit on amalgamation of Rs. 5610.90 lakhs, there is a net accretion of Rs. 804.78 lakhs to the reserves of the Company.

iv. Details of adjustments to reserves –

Rupees in lakhs

Particulars	SHL	QIL	THL	Total
General Reserve				
- General Reserve	2040.63	13.57	-	2054.20
- Reserve Fund	-	-	173.40	173.40
- Statutory Reserve	-	117.37	-	117.37
- Balance in profit and loss account	3209.07	345.73	(15.39)	3539.41
Total	5249.70	476.67	158.01	5884.38
Share Premium account	495.25	36.00	-	531.25
Capital Reserve	-	-	0.05	0.05

Schedules forming part of the Consolidated Accounts

4. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.2662.96 lakhs (2008: Rs. 1807.08 lakhs).
5. (a) Provision for warranty – Rs. 239.98 lakhs (2008: Rs. 230.31 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. 201.96 lakhs (2008: Rs. 191.24 lakhs) and Rs. 192.29 lakhs (2008: Rs. 110.20 lakhs) respectively.
- (b) Provision for Customer Loyalty programme - Rs. 480.99 lakhs (2008: Rs. 430.25 lakhs)
The Company has a scheme of reward points on purchase of certain products by customers which can be redeemed at the time of future purchases. Provision is made on past experience of redemption. Additional provision made and utilised/reversed during the year is Rs. 296.36 lakhs (2008: Rs. 430.25 lakhs) and Rs. 245.62 lakhs (2008: Rs. Nil lakhs) respectively
- (c) Contingent liabilities not provided for – Rs. 3895.99 lakhs (2008: Rs. 4267.01 lakhs) comprising of the following:
 - Sales Tax – Rs. 325.72 lakhs (2008: Rs. 1179.52 lakhs)
(relating to applicability of rate of tax, computation of tax liability, submission of certain statutory forms)
 - Customs Duty – Rs. 447.89 lakhs (2008: Rs. 316.94 lakhs)
(relating to compliance with the terms of notification, export obligations)
 - Excise Duty – Rs. 2779.35 lakhs (2008: Rs. 2426.58 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of assessable value, denial of input service credit on service tax)
 - Income Tax – Rs. 273.34 lakhs (2008: Rs. 274.28 lakhs)
(relating to disallowance of deductions claimed and Transfer Pricing adjustments)
 - Others – Rs. 69.69 lakhs (2008: Rs. 69.69 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. During the year, the Company has received a show cause notice from the Excise authorities for Rs. 4983.40 lakhs (excluding interest and penalty) towards excise duty on jewellery despatches from September 2005 to December 2008. The Company has been legally advised that the notice is not sustainable.
7. The Company has decided to close down its two Tanishq boutiques in the United States of America (USA) resulting in a charge of Rs. 2901.69 lakhs to the profit and loss account.
8. In terms of the Letter of Offer, out of the Rights Issue proceeds of Rs.12678.23 lakhs, Rs. Nil lakhs (2008: 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. Nil lakhs (2008: Rs. 1803.12 lakhs; 2007: Rs. 1711.14 lakhs), replacement, refurbishing & expansion of the watch manufacturing facilities Rs. Nil lakhs (2008: Rs. 1041.13 lakhs; 2007: Rs. 1381.03 lakhs), expansion of jewellery making facilities Rs. Nil lakhs (2008: Rs. 492.34 lakhs; 2007: Rs. 466.83 lakhs), expansion of precision engineering manufacturing facilities Rs. Nil lakhs (2008 : Rs. 1025.63 lakhs; 2007: Rs. 539.46 lakhs) and redemption of preference shares and general corporate purposes Rs. Nil lakhs (2008: Rs. Nil lakhs; 2007: Rs. 4217.55 lakhs).
9. The 6.75% debentures are redeemable at par at the end of five years from the dates of allotment on May 12, 2006 and June 9, 2006 and are secured by way of legal mortgage on the immovable properties and plant and machinery situated at Hosur.

Schedules forming part of the Consolidated Accounts

10. The term loans from banks shown under secured loans include:
- Loan of Rs. Nil lakhs (2008: Rs. 500.00 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.
 - Loan of Rs. 3332.33 lakhs (2008: Rs. 5000.00 lakhs) secured by a first charge by way of hypothecation of movable assets (save and except current assets) and secured by way of an equitable mortgage of immovable properties of the Company, both present and future.
 - Foreign currency loan of Rs. 2537.00 lakhs (2008: Rs. Nil lakhs) to be secured by a first charge over the Company's present and future fixed (movable and immovable) assets.
11. Non-fund based facilities availed of Rs. 25703.09 lakhs (2008 : Rs. 24425.09 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.
12. The security covered under notes 9 and 10 above rank *pari passu*. The security covered under note 11 above rank *pari passu* with the security for the cash credit facility.
13. Exchange gain (net), included in the profit and loss account is Rs.81.72 lakhs (2008: Gain Rs. 2568.49 lakhs).
14. Sales includes sale of scrap Rs. 576.17 lakhs (2008: Rs. 593.31 lakhs), sale of accessories Rs. 7313.84 lakhs (2008: Rs. 5824.44 lakhs), sale of tools and components Rs.593.14 lakhs (2008 : Rs. 642.81 lakhs), sale of gold Rs. 4929.37 lakhs (2008: 829.07 lakhs), sale of precious stones Rs. 1568.43 lakhs (2008 : Rs. 1457.09 lakhs), income from services provided Rs. 254.02 lakhs (2008 : Rs. 181.09 lakhs) and is net of turnover based commission of Rs. 7246.03 lakhs (2008 : Rs. 5195.49 lakhs) and all discounts, including cash discount of Rs. 591.14 lakhs (2008: Rs. 515.18 lakhs).
15. Auditors remuneration comprises of fees for audit of statutory accounts Rs. 73.12 lakhs (2008: Rs. 73.62 lakhs), taxation matters Rs.33.86 lakhs (2008: Rs.18.05 lakhs), audit of consolidated accounts Rs.7.00 lakhs (2008: Rs.7.00 lakhs), other services Rs. 23.41 lakhs (2008: Rs.28.26 lakhs) and reimbursement of levies and expenses Rs.7.16 lakhs (2008: Rs. 7.47 lakhs).
16. Interest expense disclosed in the profit and loss account is net of Rs.Nil lakhs (2008: Rs. 275.47 lakhs) being interest income on loans and advances.
17. The Directors' remuneration of Rs. 252.32 lakhs (2008:Rs. 201.14 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. 8.42 lakhs (2008: Rs. 7.29 lakhs), perquisites Rs. 42.69 lakhs (2008: Rs. 36.85 lakhs), commission of Rs. 90.00 lakhs (2008: Rs. 80.00 lakhs) and commission to non whole-time directors of Rs. 80.00 lakhs (2008: Rs. 50.00 lakhs).
18. In the current year, the Company revised the estimated useful life of Furniture & Fixtures from 15 years to 5 years which has resulted in an additional depreciation charge of Rs. 789.82 lakhs.
19. Fixed assets include vehicles acquired on finance lease, the details of which are as under:

	Rupees in lakhs	
	2009	2008
(a) Cost of vehicles	61.97	260.40
(b) Vehicles acquired during the year	-	-
(c) Net carrying amount	9.82	72.85

Schedules forming part of the Consolidated Accounts

- (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:

(Previous year figures are in brackets)

	Rupees in lakhs	
	Minimum Lease Payments outstanding	Present value of Minimum Lease Payments outstanding
Not later than one year	3.84 (51.16)	3.14 (38.88)
Later than one year and not later than five years	- (3.84)	- (3.14)

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.

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

	Rupees in lakhs	
	2009	2008
For a period not later than one year	4225.81	2568.96
For a period later than one year and not later than five years	5793.50	4166.63
For a period later than five years	29.50	206.60
Total	10048.81	6942.19

- (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. 3902.34 lakhs (2008: Rs.1930.31 lakhs).

21. Sundry creditors include Rs. Nil lakhs (2008: Rs 33.91 lakhs) towards liability for lease of vehicles which falls due later than one year.

22. Employee Benefits:

- (a) Defined Contribution Plans

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

	Rupees in lakhs	
	2009	2008
Defined Contribution Plan	206.81	174.15
Superannuation Fund	237.93	216.34
Employee Pension Fund (EPF)	17.39	15.56
Provident Fund (Subsidiary Company)	462.13	406.05
Total	462.13	406.05

- (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 recognizes 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.

Schedules forming part of the Consolidated Accounts

The following table sets out the status and amounts recognised in the Titan Group's financial statements as at March 31, 2009 for Gratuity.

Defined Benefit Plan - Gratuity as per actuarial valuation as at March 31, 2009

		Rupees in Lakhs	
		2009	2008
I	Net Asset / Liability recognized in the balance sheet as at March 31		
	1 Present value of funded obligations – A	4,105.62	3434.40
	2 Fair Value of Plan Assets – B	(3,569.57)	(2877.94)
	3 (Deficit) / surplus – (A-B)	(536.05)	(556.46)
	4 Net Asset / Liability		
	- Assets	-	-
	- Liabilities	536.05	556.46
II	Expense recognized in the Profit and Loss account		
	1 Current Service Cost	246.15	233.82
	2 Interest on Defined Benefit Obligation	288.05	223.10
	3 Expected Return on Plan Assets	(224.68)	(166.74)
	4 Net Actuarial Losses/(Gains) recognized during the year	183.51	224.05
	5 Past Service Cost	-	-
	Total Expense recognized under the head "Payments to and provisions for employees Refer Schedule J"	493.03	514.23
III	Change in present value of obligation during the year ended March 31		
	1 Opening Defined Benefit Obligation	3,434.39	2856.47
	2 Service Cost	246.15	233.82
	3 Interest Cost	288.05	223.10
	4 Actuarial Losses/(Gains)	266.46	228.34
	5 Benefits Paid	(129.43)	(107.33)
	6 Closing Defined Benefit Obligation	4,105.62	3434.40
IV	Change in fair value of Plan assets during the year ended March 31		
	1 Opening fair value of plan assets	2,877.94	2225.79
	2 Expected Return	224.68	166.74
	3 Actuarial Losses/(Gains)	82.95	4.29
	4 Assets distributed on settlements	-	-
	5 Contributions by employer	509.42	587.20
	6 Benefits Paid	(125.42)	(106.08)
	7 Closing fair value of plan assets	3,569.57	2877.94
	Actual Return on Plan Assets	307.63	171.03
V	The major categories of Plan Assets as a percentage of total Plan Assets		
	1 Government of India Securities	47%	41%
	2 Corporate bonds	47%	51%
	3 Others	6%	8%
VI	Principal actuarial assumptions		
	Discount Rate	7.95% p.a	8.00% 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.		

Schedules forming part of the Consolidated Accounts

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

Other Long-term benefits

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

	Rupees in lakhs	
	Liability as on 31.03.2009	Liability as on 31.03.2008
Compensated absences/Leave salary	2704.96	2236.59
Pension	305.71	287.02

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

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

23. a) The sell/buy forward contracts (net) outstanding as at 31 March, 2009 in respect of hedging of price of gold, for the jewellery business, is 2765 kgs, Rs 41231.49 lakhs (2008: 1760 kgs, Rs.20143.48 lakhs).
- b) Marked to market losses on forward contract relating to gold price hedging debited to Profit and Loss account is Rs. 52.00 lakhs (2008: Rs. Nil).
- c) The Company has two forward exchange contracts outstanding for US Dollar 0.05 million equivalent to Rs. 28.34 lakhs (2008: Rs. Nil) to hedge foreign currency risk of firm commitments of sales and two forward exchange contracts outstanding to hedge foreign currency risk of loans payable for US Dollars 5 million equivalent to Rs. 2537.00 lakhs (2008: Rs. Nil).
- d) During the year the Company had entered into a currency swap to hedge its foreign currency and interest rate exposures relating to foreign currency loan of US Dollars 5 million equivalent to Rs. 2537.00 lakhs. An amount of Rs. 37.05 lakhs (2008: Rs. Nil) has been debited to the profit and loss account on account of marked to market losses.
- e) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2009 are given below:
- i. Amounts receivable in foreign currency as at March 31, 2009

(Previous year figures are in brackets)

Nature of receivables	Amount in Lakhs	
	Rupees	Foreign currency
Export of goods		
USD	1742.44 (2874.94)	34.35 (71.69)
SGD	0.86 (0.75)	0.03 (0.03)
GBP	53.87 (101.44)	0.74 (1.27)
HKD	125.11 (115.39)	19.18 (22.41)
EURO	103.65 (273.55)	1.55 (4.32)
Loans and advances		
USD	37.25 (330.00)	0.74 (8.23)

Schedules forming part of the Consolidated Accounts

ii. Amounts payable in foreign currency as at March 31, 2009

(Previous year figures are in brackets)

Amount in lakhs

Nature of payables	Rupees	Foreign currency
Import of goods and services		
USD	178.04 (542.66)	3.50 (13.51)
EURO	0.10 (57.18)	0.01 (0.90)
HKD	3.41 (4.25)	0.52 (0.82)
CHF	156.03 (108.18)	3.52 (2.68)
JPY	2.79 (28.04)	5.46 (69.63)
GBP	1.32 (-)	0.02 (-)

24. a) The details of deferred tax liability (net) are as under:

Rupees in lakhs

	As at 31.03.2008	Tax effect for the year	As at 31.03.2009
Deferred Tax Liability			
Fixed Assets	(3782.73)	391.51	(3391.22)
Sub Total	(3782.73)	391.51	(3391.22)
Deferred Tax Asset			
Provision for doubtful debts	233.29	13.94	247.23
Disallowances under Section 43B	42.62	221.73	264.35
Provision for leave salary/gratuity	703.49	165.54	869.03
Deferred revenue expenditure	266.63	(136.36)	130.27
Business Loss	2.25	(2.25)	-
Sub Total	1248.28	262.60	1510.88
Net Deferred Tax Liability	(2534.45)	654.11	(1880.34)

b) The details of deferred tax asset (net) are as under:

	As at 31.03.2008	Tax effect for the year	As at 31.03.2009
Deferred Tax Liability	-	-	-
Deferred Tax Asset			
Provision for doubtful debts	9.07	(1.79)	7.28
Disallowances under Section 43B	1.13	0.88	2.01
Business Loss	2.70	(2.70)	-
Sub Total	12.90	(3.61)	9.29
Net Deferred Tax Asset	12.90	(3.61)	9.29

Schedules forming part of the Consolidated Accounts

25. Related party disclosures :

Names of related parties and description of relationship:

- a) Promoters : Tamilnadu Industrial Development Corporation Ltd.
Tata Sons Ltd.
- b) Associates : Titan International Marketing Ltd. (upto December 30, 2007)
Tanishq (India) Ltd. (upto February 17, 2008)
Titan Properties Ltd. (upto February 17, 2008)
Titan Mechatronics Ltd. (upto February 17, 2008)
Titan International (Middle East) FZE (upto December 30, 2007)
Titan Watches & Jewellery International (Asia Pacific) Pte Ltd.
(upto December 30, 2007)
- c) Key Management Personnel : Mr. Bhaskar Bhat, Managing Director

Samrat Holdings Ltd., Titan Holdings Ltd. and Questar Investments Ltd. which were associates upto February 17, 2008 have been amalgamated with the Company and therefore, transactions with these companies in the previous year upto the said date have been disclosed.

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	2.87 (20.64)	- (91.69)	- (-)	2.87 (112.33)
3	Royalty Income	- (-)	- (147.75)	- (-)	- (147.75)
4	Reimbursement of expenses	0.41 (0.19)	- (-)	- (-)	0.41 (0.19)
5	Interest income	- (-)	- (112.15)	- (-)	- (112.15)
6	Interest expense	37.34 (37.34)	- (251.98)	- (-)	37.34 (289.32)
7	Rent paid	52.31 (35.33)	- (-)	- (-)	52.31 (35.33)
8	Rental Deposit	300.00 (-)	- (-)	- (-)	300.00 (-)
9	Dividend paid	1304.90 (815.56)	- (-)	- (-)	1304.90 (815.56)
10	Commission and sitting fees to non whole-time directors	33.07 (16.70)	- (-)	- (-)	33.07 (16.70)
11	Intercompany deposits taken	- (-)	- (367.00)	- (-)	- (367.00)
12	Intercompany deposits repaid	- (-)	- (345.00)	- (-)	- (345.00)
13	Brand equity subscription	614.23 (503.55)	- (-)	- (-)	614.23 (503.55)
14	Rendering of services	33.22 (29.89)	- (-)	- (-)	33.22 (29.89)
15	Managerial remuneration	- (-)	- (-)	172.32 (151.14)	172.32 (151.14)

TITAN INDUSTRIES

Titan Group

Schedules 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
16	Advances recovered	- (-)	- (-39.98)	- (-)	- (-39.98)
17	Sale of investments –Equity Shares	- (-)	- (5.85)	- (-)	- (5.85)
18	Purchase of investments –Equity Shares	- (935.57)	- (501.27)	- (-)	- (1436.84)

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 & Jewellery. International (Asia Pacific) Pte Ltd.	- (265.79)
(b) Royalty Income	Associate	Titan International Marketing Ltd.	- (147.75)
(c) Interest Expense	Associate	Samrat Holdings Limited. *	- (239.44)
(d) Rental Deposit	Promoters	Tata Sons Ltd.	300.00 (-)
(e) Dividend Paid	Promoters	Tamilnadu Industrial Development Corporation Ltd.	989.91 (618.69)
	Promoters	Tata Sons Ltd.	314.99 (196.87)
(f) Intercorporate deposits taken	Associate	Samrat Holdings Ltd. *	- (360.00)
(g) Intercorporate deposits repaid	Associate	Samrat Holdings Ltd. *	- (210.00)
(h) Brand equity subscription	Promoters	Tata Sons Ltd.	614.23 (503.55)
(i) 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	Key Management Personnel	Total
Credit balance			
Tata Sons Limited	270.29 (473.12)	- (-)	270.29 (473.12)
Tamilnadu Industrial Development Corporation Limited	28.94 (14.22)	- (-)	28.94 (14.22)
Mr. Bhaskar Bhat	- (-)	93.80 (83.27)	93.80 (83.27)
Total Credit Balance	299.23 (487.34)	93.80 (83.27)	393.03 (570.61)

* Amalgamated with the Company.

Schedules forming part of the Consolidated Accounts

26. Earnings per share:

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

	Rupees in lakhs	
	31.03.2009	31.03.2008
a) Net profit	16392.11	14756.37
b) Weighted average number of equity shares	4,43,89,309	4,43,89,309
c) i) Nominal value of shares (Rs.)	10.00	10.00
ii) Earnings per share - Basic and diluted (Rs.)	36.93	33.24

27. Segment information for the year ended March 31, 2009

(a) Primary Business Segments

(Previous year figures are in brackets)

Rupees in lakhs

	Watches	Jewellery	Others	Corporate (Unallocated)	Total
Revenue					
Net sales/income	90929	276023	13618	2694	383264
(There is no inter-segment revenue)	(87902)	(202629)	(9157)	(-)	(299688)
Result					
Before interest, other income, taxes and share of profits/(-) losses of associates	13765	16143	-2422	-1331	26155
Add: Other Income	(12300)	(10827)	(-1438)	(-1029)	(20660)
Share of profits/(-) losses of Associates	157	297	11	66	531
	(269)	(47)	(5)	(18)	(339)
Profit/(-) Loss before interest and taxes	-	-	-	-	-
	(1088)	(-)	(-)	(12)	(1100)
Less: Interest (net)	13922	16440	-2411	-1265	26686
Profit before taxes	(13657)	(10874)	(-1433)	(-999)	(22099)
					2879
					(2081)
					23807
					(20018)
Taxes					7415
Net Profit					(5262)
					16392
					(14756)
Other Information					
Segment Assets	54532	109014	12504	2284	178334
Segment Liabilities	(50481)	(93527)	(10016)	(5334)	(159358)
Capital expenditure	17960	75371	3446	7242	104019
Depreciation / Amortisation	(17109)	(63440)	(2961)	(7759)	(91269)
Non Cash expenses other than depreciation/amortisation	2244	3313	1216	-	6773
	(1943)	(1574)	(1359)	(305)	(5181)
	2081	1255	847	52	4235
	(1878)	(690)	(422)	(342)	(3332)
	12	129	11	71	223
	(29)	(307)	(38)	(6)	(380)

TITAN INDUSTRIES

Titan Group

Schedules forming part of the Consolidated Accounts

Total unallocable assets exclude

Rupees in lakhs

	Total
Deferred tax asset	9
	(13)

Total unallocable liabilities exclude

Rupees in lakhs

	Total
Secured loans	11658
	(18855)
Unsecured loans	5000
	(2133)
Deferred tax liability (Net)	1880
	(2534)

b) Secondary Geographical Segments

Rupees in lakhs

	India	USA	Others	Total
Revenue	369927	2619	10718	383264
	(285448)	(2105)	(12135)	(299688)

The operating facilities of the Company are commonly employed for both the domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segments.

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

28. 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 **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Bangalore, April 29, 2009

Bhaskar Bhat
Managing Director

K. F. Kapadia
Executive Vice President - Finance

Usha Iyengar
Company Secretary

M. F. Farooqui
Ishaat Hussain
S. Ramasundaram
N. N. Tata
T. K. Balaji
C. G. Krishnadas Nair
Nihal Kaviratne
Vinita Bali
V. Parthasarathy
R. Poornalingam
Hema Ravichandar

Chairman

Directors

FINANCIAL STATISTICS	FINANCIAL YEAR																						
	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	2008-09	
BALANCE SHEET																							
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	42.28	44.39	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	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	506.85	
Deferred tax liability																							
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	175.41	
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	744.83	
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	294.00	
Investments	0.03	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	
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	1,202.69	
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	106.22	
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	54.69	
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	114.13	
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	1,477.73	
Less: Current Liabilities & 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	1,034.57	
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	443.16	
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	744.83	
PROFIT & LOSS ACCOUNT																							
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	96.93	
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	13.65	
Clocks, sunglasses, etc.								0.67	3.64	3.05	4.30	3.29	3.29	1.62	0.51	0.41	2.39	4.84	5.05	5.29	6.97	9.29	
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	3,847.72	
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	3,551.23	
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	29.43	
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	41.76	
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	225.30	
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	5.26	
Less: Exceptional Item																							
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	230.56	
Taxes	0.04	0.21	0.78																				
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	158.96	
Equity Dividend (%)			15%	18%	20%	22%	25%	30%	33%	33%	33%	26%	26%	26%	15%	10%	10%	20%	30%	50%	80%	100%	
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	44.39	
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	233.40	
% 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%	6.1%	
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	181.36	
% 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%	4.7%	

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)

Signature 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.