

## CORPORATE GOVERNANCE

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

### A. MANDATORY REQUIREMENTS

#### CORPORATE GOVERNANCE PHILOSOPHY

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

#### BOARD OF DIRECTORS

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

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

Category	Name of the Director	No. of Directors
Nominee Directors of TIDCO (Promoter, Non-Executive, Non-Independent)	Mr. M F Farooqui <sup>1</sup> Mr. S Ramasundaram Mr. Kumar Jayant <sup>2</sup> Mr. S Susai	4
Nominee Directors of Tata Group (Promoter, Non-Executive, Non-Independent)	Mr. Ishaat Hussain Mr. F. K. Kavarana Mr. N. N. Tata	3
(Promoter, Executive, Non-Independent)	Mr. Bhaskar Bhat	1

Other Directors (Non-Executive, Independent)	Mr.T.K.Balaji Dr.C.G.Krishnadas Nair Mr. Nihal Kaviratne Ms. Vinita Bali	<b>4</b>
<b>Total</b>		<b>12</b>

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

Mr. Kumar Jayant<sup>2</sup>, nominee of TIDCO, was appointed Non-executive Director of the Company on 29.10.2007 in place of Mr. Sunil Paliwal who resigned on 29.10.2007.

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

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

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

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

Name of Director	No. of Board meetings attended out of 6 meetings of the Board of Directors	Whether attended last Annual General Meeting	No. of Directorships in domestic public companies (including this Company)		No. of Committee memberships in domestic public companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
Mr.Shaktikanta Das <sup>1</sup>	3	Yes	-	-	-	-
Mr. M F Farooqui <sup>2</sup>	1	NA	3	5	-	-
Mr.S Ramasundaram	5	No	5	10	1	3
Mr. Kumar Jayant <sup>3</sup>	3	NA	2	12	-	3
Mr.Bhaskar Bhat	6	Yes	1	6	-	-
Mr. N N Tata	2	Yes	-	7	1	-
Mr. F.K.Kavarana	2	Yes	6	5	5	2
Mr. Ishaat Hussain	5	Yes	2	12	4	6
Mr. T.K.Balaji	6	Yes	1	10	1	5
Dr.C.G.Krishnadas	6	Yes	1	5	-	2

Nair						
Mr. S.Susai	6	No	-	12	1	7
Mr. Nihal Kaviratne	6	Yes	-	4	1	3
Ms. Vinita Bali	6	Yes	-	4	-	2
Mr. Sunil Paliwal	-	No	-	-	-	-

[ NA – Not Applicable]

<sup>1</sup>Mr. Shaktikanta Das, nominee of TIDCO, resigned from the Board on 05.12.2007.

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

<sup>3</sup> Mr. Kumar Jayant, nominee of TIDCO was appointed as Director on the Company with effect from 29.10.2007 as a Nominee of TIDCO;

Mr. Sunil Paliwal resigned as Director on 29.10.2007

## CODE OF CONDUCT

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

## AUDIT COMMITTEE

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

### Powers of the Audit Committee

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

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

- a) Oversight of the Company’s financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - any changes in accounting policies and practices;
  - major accounting entries based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments arising out of audit;

- compliances with listing and other legal requirements concerning financial statements;
  - any related party transactions.
- d) Reviewing with the management matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - e) Reviewing with the management, external and internal auditors, the adequacy of the internal control systems.
  - f) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department; approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - g) Discussion with internal auditors any significant findings and follow up thereon.
  - h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - i) Discussion with external auditors before the audit commences about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - j) Reviewing of management letters issued by the external auditor.
  - k) Reviewing the Company's financial and risk management policies.
  - l) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - m) Seek assistance from the Statutory Auditors in such areas and in such manner as desired by the audit committee from time to time.
  - n) Reviewing the functioning of the Whistle Blower mechanism.
  - o) Reviewing Management Discussion and Analysis of financial condition and results of operations.
  - p) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

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

As at the year-end, the Audit Committee of the Board comprises 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 the financial expert.

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

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

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

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

## **OTHER SUB-COMMITTEES OF THE BOARD OF DIRECTORS**

### **a. Remuneration Committee**

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

The following Directors are the members of the Remuneration Committee:

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

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

### **b. Shareholders' Grievance Committee**

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

Year 2007-08, a meeting of the Shareholders' Grievance Committee was held on March 29, 2008. All the members except Mr. F K Kavarana were present at the Meeting.

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

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

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

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

### **c. Committee of Directors**

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

The composition of the Committee of Directors is as follows:

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

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

### **d. Ethics and Compliance Committee**

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

The composition of the Committee is as follows:

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

During the year 2007-08, this Committee held a Meeting on March 29, 2008. All the Members except Mr. F K Kavarana were present at the Meeting.

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

#### **e. Nomination Committee**

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

The composition of the Committee is as follows:

Dr. C G Krishnadas Nair (Chairman) (Non Executive) (Independent)

Mr. T. K. Balaji (Non Executive) (Independent)

Mr. N N Tata (Non Executive) (Non Independent)

Mr. Shaktikanta Das<sup>1</sup> (Non Executive) (Non Independent)

Mr. M F Farooqui<sup>2</sup> (Non Executive) (Non Independent)

<sup>1</sup> Resigned on 05.12.2007

<sup>2</sup> Member from 05.12.2007

#### **SUBSIDIARY COMPANIES**

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

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

#### **DISCLOSURES**

**(a) Related Party Transactions:** During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other material related party transactions of the Company with its promoters, directors or the management or their relatives 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 Senior Management and the Board at various levels:

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

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

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

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

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

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

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

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

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

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

**(f) Details of 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.

**(i) Proceed from Rights Issue:** During the previous year, the Company has allotted on rights basis, partly convertible debentures comprising 2,113,038 equity shares of Rs. 10 each at a premium of Rs. 340 per equity share aggregating to Rs. 7.395.63 lakhs and 2,113,038 6.75% Non-convertible debentures of Rs. 250 each aggregating to Rs. 5,282.60 lakhs. The uses / application of funds by major category are disclosed to the Audit Committee on quarterly basis. The statement of utilisation of funds up to March 31,2008 raised by the said issue is certified by the statutory auditors of the Company. The Company has not utilised funds for purposes other than those stated in the Letter of Offer.

## **REMUNERATION OF DIRECTORS**

### **MANAGING DIRECTOR**

The Company has during the year paid remuneration to its Managing Director by way of salary, perquisites and commission within the limits approved by the Shareholders. The

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

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

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

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

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

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

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

There are no stock options issued to the Managing Director.

## **NON-EXECUTIVE DIRECTORS**

The remuneration paid to Non-Executive Directors for the year 2006-07 had been restricted to an aggregate limit of 0.25% of the available profits of the Company available u/s 198 of the Companies Act, 1956, which limit continues to be applicable for financial year 2007-08 as well.

The Commission payable to Non-Executive Directors have been approved by the shareholders at the Annual General Meeting held on August 31, 2005 and 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 primarily based on attendance at the Board Meetings and at Meetings of the Audit Committee of the Board.

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

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

\* Payable in Financial Year 2008-09

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

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

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

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

## MEANS OF COMMUNICATION

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

## PARTICULARS OF THE PAST THREE ANNUAL GENERAL MEETINGS

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

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

Whether Special Resolutions -

- |   |                  |
|---|------------------|
| a) Passed in the previous 3 Annual General Meetings   | -Yes             |
| b) Were put through postal ballot last year           | - No             |
| Details of voting pattern                             | - Not Applicable |
| Person who conducted the postal ballot exercise       | - Not Applicable |
| c) Are proposed to be conducted through postal ballot | - No             |
| Procedure for postal ballot                           | - Not Applicable |

## GENERAL SHAREHOLDER INFORMATION

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

Company's Address	<b>Mrs. Usha Iyengar,</b> Company Secretary Golden Enclave, Tower - A, Airport Road, Bangalore 560 017 E-mail: <a href="mailto:ushai@titan.co.in">ushai@titan.co.in</a> Tel No: 080-66609610 Fax No: 080-2526 3001 / 2526 9923
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For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches: of M/s TSR Darashaw Limited:-

**TSR Darashaw Limited**

503, Barton Centre, 5th Floor  
 84, M.G. Road,  
 Bangalore – 560 001  
 Tel: 080-25320321  
 Fax: 080 – 25580019  
 Email: [tsrdlbg@tsrdarashaw.com](mailto:tsrdlbg@tsrdarashaw.com)

**TSR Darashaw Limited**

Tata Centre, 1st Floor  
 43, Jawaharlal Nehru Road  
 Kolkata – 700 071  
 Tel: 033 - 22883087  
 Fax: 033 - 22883062  
 Email: [tsrdlcal@tsrdarashaw.com](mailto:tsrdlcal@tsrdarashaw.com)

**TSR Darashaw Limited**

2/42, Sant Vihar  
 Ansari Road, Darya gang  
 New Delhi – 110 002  
 Tel: 011 – 23271805  
 Fax: 011 – 23271802  
 Email: [tsrdldel@tsrdarashaw.com](mailto:tsrdldel@tsrdarashaw.com)

**TSR Darashaw Limited**

Bungalow No.1, 'E' Road  
 Northern Town, Bistupur  
 Jamshedpur – 831 001  
 Tel: 0657 – 2426616  
 Fax: 0657 – 2426937  
 Email: [tsrdljsr@tsrdarashaw.com](mailto:tsrdljsr@tsrdarashaw.com)

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

**SHARE TRANSFER SYSTEM**

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

## INVESTOR SERVICES

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

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

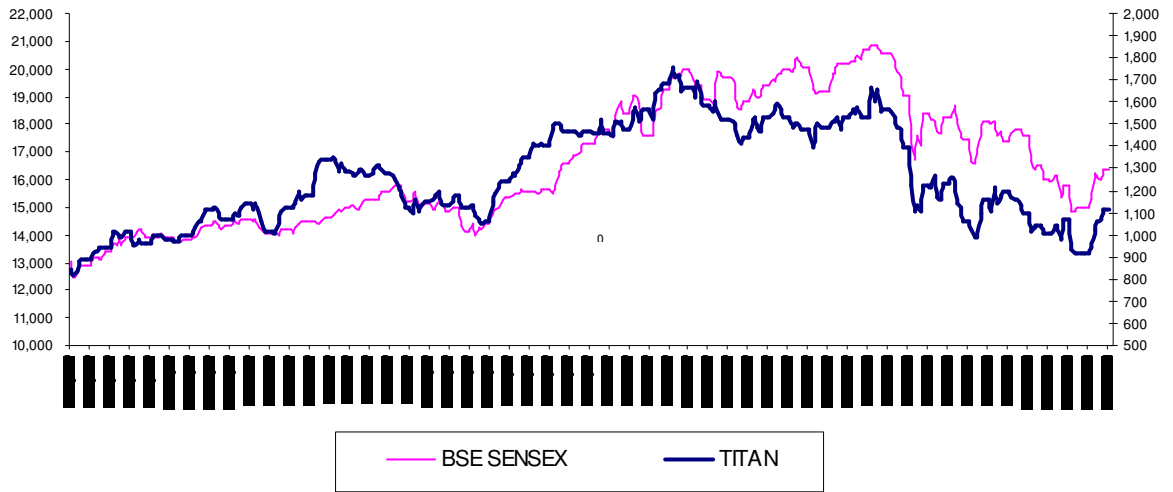
As at March 31, 2008, 5 share transfers and 13 demat requests were pending, however none of these were pending beyond 30 days except for 1 share transfer which was pending due to prohibition existing on the distinctive numbers.

## STOCK PERFORMANCE

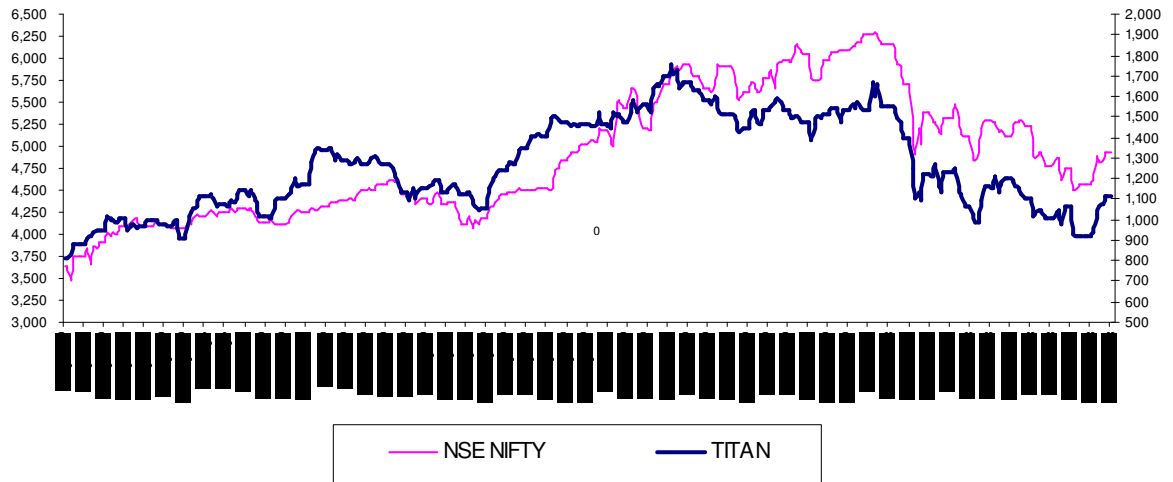
### Market Price Data – Bombay Stock Exchange Ltd

Month	Bombay Stock Exchange Ltd (in Rs.)		BSE Sensex
	High	Low	
Apr 2007	1042.00	808.10	13,872.37
May 2007	1139.90	962.10	14,544.46
Jun 2007	1365.00	991.15	14,650.51
Jul 2007	1378.00	1078.05	15,550.99
Aug 2007	1265.00	1025.00	15,318.60
Sep 2007	1538.00	1235.15	17,291.10
Oct 2007	1795.00	1395.00	19,837.99
Nov 2007	1759.00	1358.00	19,363.19
Dec 2007	1630.00	1371.00	20,286.99
Jan 2008	1715.00	858.00	17,648.71
Feb 2008	1297.00	959.00	17,578.72
Mar 2008	1135.00	890.00	15,644.44

Performance of Titan Share price in comparison with BSE Sensex



Performance of Titan Share Price in comparison with NSE Nifty



**Market Price Data – National Stock Exchange of India Ltd**

Month	National Stock Exchange of India Ltd (in Rs.)		Nifty
	High	Low	
Apr 2007	1,016.60	815.60	4,087.90
May 2007	1,124.95	907.80	4,295.80
Jun 2007	1,344.35	1,008.35	4,318.30
Jul 2007	1,342.95	1,128.55	4,528.85
Aug 2007	1,241.65	1,048.95	4,464.00
Sep 2007	1,501.10	1,267.00	5,021.35
Oct 2007	1,759.00	1,447.15	5,900.65
Nov 2007	1,667.55	1,423.60	5,762.75
Dec 2007	1,590.25	1,386.05	6,138.60
Jan 2008	1,670.90	1,090.10	5,137.45
Feb 2008	1,246.70	987.40	5,223.50
Mar 2008	1,114.10	915.30	4,734.50

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

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

**CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2008**

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

## TOP TEN SHAREHOLDERS:

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

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

## STOCK CODE

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

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

Number of Shares : 20,838,912  
Percentage to total holding : 46.95%

## DEMATERIALISATION OF SHARES AND LIQUIDITY

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

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

Stock option scheme: None

## **PLANT LOCATIONS**

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

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

Jewellery and Clock Plants: (a) 27, 28 & 29, SIPCOT Industrial Complex, Hosur 635  
    126, Tamil Nadu  
(b) Khasra No.238, Kuanwala Dehradun 248 001,  
    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 21, 2007.

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

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

April 25, 2008

The Board of Directors,  
Titan Industries Limited

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

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

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

BHASKAR BHAT  
[Managing Director]

K.F. KAPADIA  
[Executive Vice President - Finance]

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

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

for TITAN INDUSTRIES LIMITED

**BHASKAR BHAT**  
Managing Director

June 20, 2008