

## TITAN INDUSTRIES 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 Director of TIDCO (Non-Executive, Non-Independent)	Mr. M F Farooqui Mr. V Parthasarathy Mr. S Ramasundaram	3
Nominee Director of Tata Group (Non-Executive, Non-Independent) (Executive, Non-Independent)	Mr. Ishaat Hussain Mr. N. N. Tata Mr. Bhaskar Bhat	2 1
Other Director (Non-Executive, Independent)	Mr. T K Balaji Mr. C G Krishnadas Nair Mr. Nihal Kaviratne Ms. Vinita Bali Ms. Hema Ravichandar Mr. R Poornalingam	6
<b>Total</b>		<b>12</b>

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.

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 meeting 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	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	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
Mr. 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	5	NA	1	5	-	2
Ms. Hema Ravichandar	-	NA	-	3	-	1
Mr. R Poornalingam	-	NA	-	3	-	-

## 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.
- 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.
- 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.
- Reviewing with the management, external and internal auditors, the adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- 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.
- 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.
- Reviewing of management letters issued by the external auditor.
- Reviewing the Company's financial and risk management practices.
- 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.
- Seek assistance from the Statutory Auditors in such areas and in such manner as desired by the audit committee from time to time.
- Reviewing the functioning of the Whistle Blower mechanism.
- Reviewing Management Discussion and Analysis of financial condition and results of operations.
- 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
Mr. C G Krishnadas Nair (Non-Executive) (Independent)	6
Mr. S Susai (Non-Executive) (Non-Independent)	3
Mr. V Parthasarathy (Non-Executive) (Non-Independent)	2
Ms. Vinita Bali (Non-Executive) (Independent)	2

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. 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.

#### 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 Ramasundaram 1 (Non-Executive) (Non-Independent)  
 1 Resigned 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)

1 Resigned on 31.03.2009

2 Resigned on 20.10.2008

3 Member from 20.10.2008

4 Member 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)

1 Resigned on 11.05.2009

2 Resigned on 20.10.2008

3 Member 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 Kavarana<sup>1</sup> (Chairman) (Non-Executive) (Non-Independent) Mr. Bhaskar Bhat (Executive) (Non-Independent) Dr. C G Krishnadas Nair (Chairman) (Non-Executive) (Independent) Mr. S Susai<sup>2</sup> (Non-Executive) (Non-Independent) Mr. V Parthasarathy<sup>3</sup> (Non-Executive) (Non-Independent) Mrs. Hema Ravichandar<sup>4</sup> (Non-Executive) (Independent) <sup>1</sup>Resigned on 31.03.2009 <sup>2</sup>Resigned on 20.10.2008 <sup>3</sup>Member from 20.10.2008 <sup>4</sup>Member 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.

#### (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 & Allowance	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
Mr. C G Krishnadas Nair	12,53,000/	1,85,000
Mr. Nihal Kaviratne	10,60,000/	1,40,000
Ms. 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. M F 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
Mr. C G Krishnadas Nair	NIL
Mr. Nihal Kaviratne	NIL
Ms. Vinita Bali	NIL
Ms. Hema Ravichandar	NIL
Mr. P 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.titanworld.com & www.titanindustries.in  
Whether it also displays official news releases : Yes

Website for investor complaint : 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.titanworld.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

#### PARTICULARS OF THE PAST THREE ANNUAL GENERAL MEETINGS

Year	Location	Date	Time
2005-2006	At the registered office of the Company located at 3, SIPCOT Industrial Complex, Hosur -635126	August 21, 2006	3:30p.m.
2006-2007	-do-	July 27, 2007	3:30p.m.
2007-2008	-do-	July 31, 2008	2:30p.m.

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

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
<b>In favour</b>	2008	30,968,313	99.96
<b>Against</b>	38	11,126	0.04
<b>Total</b>	2046	30,979,439	100.00

\* 33,703 invalid votes. Commencement of new business

	Ballots	Votes	% of Votes
<b>In favour</b>	1969	30,962,554	99.96
<b>Against</b>	41	11,950	0.04
<b>Total</b>	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.

<b>Person who conducted the postal ballot exercise</b>	:	Parikh & Associates, Practising Company Secretaries, Mumbai
<b>c) Are proposed to be conducted through postal ballot</b>	-	No
<b>Procedure for postal ballot</b>	-	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 Center  
 84, M.G. Road 43,  
 Bangalore – 560 001  
 Tel: 080 – 25320321  
 Fax: 080 – 25580019  
 E-mail: tsrdlbang@tsrdarashaw.com

**TSR Darashaw Limited**  
 5th Floor Tata Centre, 1st Floor  
 Jawaharlal Nehru Road  
 Kolkata – 700 071  
 Tel: 033 – 22883087  
 Fax: 033 – 22883062  
 E-mail: tsrdlcal@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

**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

**Shah Consultancy Services Limited**  
 c/o. **TSR Darashaw Limited**  
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#### 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 so 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	9,798.50

**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	2.4
2001-3000	105	0.20	265,709	0.6
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
<b>Total</b>	<b>54,035</b>	<b>100.00</b>	<b>44,389,308</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2009**

Category	No. of Shareholders	No. of Share held	% of Shareholding
Tamilnadu Industrial Development Corporation Ltd.	1	12,373,836	27.88
Tata Group Companies	11	11,176,560	25.17
FFI / FII / OCBs	81	5,464,724	12.31
Bodies Corporate	1020	1,864,802	4.2
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
<b>Total</b>	<b>54035</b>	<b>44,389,308</b>	<b>100.00</b>

## 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	800,00	'1.80

## 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, Solan District, Baddi 173 205 Himachal Pradesh

(d) Plot No. C1,C2,C3, Khasra No. 37, Village Bantakerhi, 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/ reappointment 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](http://www.titanworld.com) and [www.titanindustries.in](http://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

- a) 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
- b) 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;
- c) 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;
- d) 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;
- e) 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

**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

Place: Chennai Partner

Date: June 22, 2009 (Membership No. 21209)