

Board's Report

To the Members of Titan Company Limited

The Directors are pleased to present the Thirty Seventh Annual Report and the Audited Financial Statements for the year ended 31st March 2021:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	20,602	20,010	21,644	21,052
Other Income	181	146	186	153
Total Income	20,783	20,156	21,830	21,205
Expenditure	18,901	17,592	19,920	18,585
Profit before exceptional items, finance costs, depreciation and taxes	1,882	2,564	1,910	2,620
Finance Costs	181	149	203	166
Depreciation/Amortisation	331	310	375	348
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	1,370	2,105	1,332	2,106
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	(5)	(4)
Profit before exceptional items and taxes	1,370	2,105	1,327	2,102
Exceptional items	137	-	-	-
Profit before taxes	1,233	2,105	1,327	2,102
Income taxes				
- Current	351	552	360	570
- Deferred	5	36	(7)	39
Profit for the year	877	1,517	974	1,493
Attributable to				
- Shareholders of the Company	877	1,517	973	1,501
- Non-controlling interests	-	-	1	(9)
Profit brought forward	3,757	2,876	3,592	2,759
Appropriations				
Adjustment of transition to Ind AS 116 on opening retained earnings	-	(156)	-	(159)
Deferred tax on Ind AS 116 transition impact	-	55	-	55
Acquisition of non-controlling interest in subsidiary	-	-	-	(30)
Dividend on Equity Shares (excluding tax)	(355)	(444)	(355)	(444)
Tax on dividends	-	(91)	-	(91)
Closing Balance in Retained Earnings	4,279	3,757	4,210	3,592

1 a) Standalone Numbers:

During the year under review, the Company's total revenue grew by 3% to ₹ 20,602 crore compared to ₹ 20,010 crore in the previous year.

Profit before tax declined by 41% to ₹ 1,233 crore and the net profit decreased by 42% to ₹ 877 crore.

The Watches and Wearables Division of the Company recorded revenue of ₹ 1,580 crore, a decline of 40%. The revenue from Jewellery Division grew by 3% touching ₹ 17,274 crore (excluding sale of bullion of ₹ 1,357 crore). The revenue from Eyewear Division declined by 31% to ₹ 375 crore.

New Businesses, viz. Indian Dress Wear Division and Fragrances and Accessories Division recorded revenue of ₹ 98 crore, a decline of 43% over the previous year. While the Indian Dress Wear Division declined by 30%, the Fragrances and Accessories Division recorded a decrease of 51%.

With the declaration of COVID-19 as a pandemic in mid-March 2020, the performance of various Divisions were affected during the first half of the last financial year due to store closures consequent upon declaration of national lockdown by the Government and subsequent state-wise lockdowns. Watches & Wearables and Eyewear revenue declined whereas Jewellery Division grew marginally by 3%, (excluding sale of bullion during the year). There was a substantial increase in the procurement of gold through Gold on Lease resulting in considerable increase in the cash balances and no borrowings at the end of the year.

The Management Discussion and Analysis report, which is attached, dwells into the performance of each of the business divisions and the outlook for the current year.

1 b) Consolidated Numbers

At the consolidated level, the revenue stood at ₹ 21,644 crore as against ₹ 21,052 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 17 of this Report.

2. International Operations

The impact of the pandemic on this business was significant as secondary sales dried up leading to virtually zero primary sales to the Company's distributors in the first half of the year. As some normalcy returned in the

second half of the year, efforts were focused on targeted expansion and maximizing returns from markets that performed better. New products, new distribution channels and a focus on e-commerce enabled a reasonable recovery in the second half of the year.

The first international Tanishq store in Meena Bazaar, Dubai was opened in October 2020 in the midst of the pandemic but did exceedingly well. The store is loved by discerning customers for its differentiated merchandise and superlative customer experience. Further efforts will also be made to expand the brands' presence in the GCC region and around the world. Considering this, the Company plans to enter into North America for which ground work has been initiated.

3. COVID- 19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. The businesses and business models have transformed to create a new work order.

The revenue impact of the pandemic played out broadly along the anticipated lines with varying levels of impact and a positive surprise in the Jewellery business.

The physical and emotional well-being of employees continues to be a top priority for the Company, with several initiatives taken to support employees and their families during the pandemic. The Company has extended counselling and self-help services providing mental & emotional support to employees. The Company has reimagined employee engagement by embracing virtual technologies. Initiatives were taken to reduce stress and the feeling of isolation, hosted inspirational leaders, mental health experts and finance experts to boost the morale of employees.

After registering tepid business during the first half of the year due to COVID-19, the Company witnessed strong business momentum as the COVID-19 impact on the consumer sentiments seemed to fade during the second half of the year. After recording the best revenue in the third quarter, which was a festive season, the Company again recorded very strong revenues in the last quarter across all businesses. The strong performance in the financial year had been the result of the agility in navigating through the crisis and uncertainty of ground situations, along with innumerable grass root innovations to serve consumer needs and leveraging digital channels to reach-out to them effectively. While the Jewellery Division has emerged very strongly from the crisis and witnessed strong growth in the last two quarters, the

Watches & Wearables and the Eyewear Divisions have also made very good progress on recovery. The Company continued with its retail network expansion during the year across the Watches & Wearables, Jewellery and Eyewear businesses.

In line with the Company's philosophy to support its ecosystem, during the year, the Company had granted loans to the extent of ₹ 97 crore to its franchisees and vendors to support them during the pandemic crisis, out of which an amount of ₹ 3 crore is outstanding as of 31st March 2021.

4. Dividend

The Directors are pleased to recommend the payment of dividend on equity shares at the rate of 400% (i.e. ₹ 4 per equity share of ₹ 1 each), subject to approval by the shareholders at the ensuing Annual General Meeting (AGM) and payment is subject to deduction of tax at source as may be applicable.

5. Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, the Board do not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for Financial Year 2020-21 in the profit and loss account.

6. Finance

The year saw all the businesses being impacted by the COVID-19 pandemic with slow-down in operations and sales. The Company's War on Waste initiative to control the costs, gave very good results in reducing costs significantly. Further, the Company's particular focus on conserving cash ensured that adequate liquidity was available despite the pandemic. Substantial increase in the procurement of gold through Gold on Lease resulted in huge cash generation for the year resulting in a very comfortable cash position at the end of the year. During the year under review, ICRA upgraded the Company's long term rating from AA+ to AAA with stable outlook. The Company had issued Commercial Papers (CP) totalling ₹ 1,500 crore with three month tenure during the first and second quarters of the year and redeemed the same on the respective due dates. There were no outstanding CPs as of 31st March 2021. During the year, the Company had sold its excessive bullion thereby increasing the efficiency in inventory management and cash flow situation.

7. Public Deposits

The Jewellery Division of the Company was successfully operating customer acquisition schemes for jewellery purchases for many years. When the Companies Act, 2013 (the "Act") became substantially effective from 1st April 2014, the Company had around seven lakh subscribers contributing to these schemes. However, these schemes were exempt under the Companies Act, 1956 relating to acceptance of public deposits as such schemes were not covered in the definition of deposits. Under the Act and the Rules made there under ('Deposit Regulations') the scope of the term "deposit" was enlarged and therefore a view was taken that the jewellery purchase schemes offered by the Company to its customers would be treated as public deposits. Thereupon, the Company discontinued fresh enrolment of subscribers and initiated steps to close the erstwhile customer schemes, which were wound down in August 2014.

Under the Deposit Regulations as amended from time to time, a company is permitted to accept deposits subject to applicable provisions, to the extent of 10% of the aggregate of the paid-up share capital, securities premium account and free reserves from its Members & 25% of the aggregate of the paid-up share capital, securities premium account and free reserves from the Public after prior approval by way of special resolutions passed by the Members in this regard. Requisite approval was obtained from the Members of the Company and a new programme for customers to purchase jewellery (under the Jewellery Purchase Plan) was launched in November 2014 in compliance with the Deposit Regulations.

The details relating to deposits, covered under Chapter V of the Act are as under:

- (a) accepted during the year: ₹ 1,909 crore
- (b) remained unpaid or unclaimed as at the end of the year: ₹ 1,075 crore
- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
 - (i) at the beginning of the year : Nil
 - (ii) maximum during the year : Nil
 - (iii) at the end of the year : Nil

There are no deposits that have been accepted by the Company that are not in compliance with the requirements of Chapter V of the Act.

8. Material Changes and Commitments Affecting Financial Position Between end of the Financial Year and Date of Report

There have been no material changes and commitments for the likely impact affecting financial position between end of the financial year and the date of the report except for the impact arising out of the continuance of the COVID-19 pandemic which has risen exponentially in the second wave till the date of signing of this Report.

Please refer Note 37 of Notes to the standalone financial statements for further details in respect of impact of COVID-19 on the financial statements of the Company

9. Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

10. Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

During the year under review, the Company had invested ₹ 28 crore (CHF 3.61 million) as application money towards equity stake in Favre Leuba AG (FLAG).

The Company had provided Corporate Guarantee of ₹ 66 crore to Titan Holdings International FZCO in two tranches and a Corporate Guarantee of ₹ 7 crore to Titan Global Retail LLC during the year.

11. Integrated Report

The Company has, over the last three years, taken steps to move towards Integrated Reporting in line with its commitment to voluntarily disclose more information to the stakeholders on all aspects of the Company's business. Accordingly, the Company had introduced key content elements of Integrated Reporting <IR> aligned to the International Integrated Reporting Council Framework (IIRC) in the Annual Report of the previous year and has disclosed more qualitative data in the Annual Report of this year. Similar to earlier years, the relevant information has been provided in this year's Annual Report as well.

12. Adequacy of Internal Controls and Compliance with Laws

The Company, during the year has reviewed its Internal Financial Control systems and has continually contributed to establishment of more robust and effective internal financial control framework, prescribed under the ambit of Section 134(5) of the Act. The preparation and presentation of the financial statements is pursuant to the control criteria defined considering the essential components of Internal Control - as stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

The control criteria ensures the orderly and efficient conduct of the Company's business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Controls system that is operating effectively as at 31st March 2021.

There were no instances of fraud which necessitates reporting of material misstatement to the Company's operations.

There has been no communication from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

13. Board Meetings

During the year under review, seven Board meetings were held, details of which are provided in the Corporate Governance Report.

14. Audit Committee and other Board Committees

The details pertaining to the composition of the Audit Committee and its role is included in the Corporate Governance Report, which is a part of this Annual Report. In addition to the Committees mentioned in the Corporate Governance Report, the Company has a Corporate Social Responsibility Committee, the details of which are covered in **Annexure II** to this Report.

15. Risk Management

Pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the "SEBI LODR"), the Company has constituted a Risk Management Committee (RMC), consisting of Board members and senior executives of the Company.

The Company has in place a Risk Management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division.

The top tier of risks for the Company is captured by the operating management after extensive deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts. Based on this framework, a Risk Management policy has been adopted.

The RMC 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 for the major risks of each of the businesses that the Company is into.

The Company has a robust process for managing the top risks, overseen by the Risk Management Committee (RMC) of the Board. As part of this process, the Company has identified the risks with the highest impact and then assigned them a likely probability of occurrence. Mitigation plans for each risk have also been put in place and are reviewed by the Management every six months before presenting to the RMC.

16. Related Party Transactions

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All Related Party Transactions are placed before the Audit Committee and the Board for approval, if required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are verified by the Internal Auditor and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval, if applicable, on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships

or transactions except to the extent of sitting fees and commission paid to the Directors and to Mr. Bhaskar Bhat to whom the Company pays monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company in the month of September 2019.

The details of the transactions with related parties during the year 2020-21 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

17. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2021, the Company had the following subsidiaries/Associate/Joint Venture:

Sl. No.	Name of the Subsidiary/ Associate/ Joint Venture	Relationship
1	Favre Leuba AG, Switzerland	Subsidiary
2	Titan Watch Company Limited, Hong Kong	Step-down Subsidiary
3	Titan Engineering & Automation Limited	Subsidiary
4	CaratLane Trading Private Limited	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Titan Holdings International FZCO, Dubai	Subsidiary
7	Titan Global Retail LLC, Dubai	Step-down Subsidiary
8	Titan Commodity Trading Limited	Subsidiary
9	StudioC Inc. USA	Step-down Subsidiary

The Company held a 49% equity stake in Montblanc India Retail Private Limited (Montblanc India), a joint venture entered into with Montblanc Services B.V., the Netherlands for operation of retail boutiques in India for Montblanc products. As part of the Company's consolidation strategy to focus on its primary business and proprietary brands, the Company, during the year, took a strategic decision to divest its entire shareholding in Montblanc India to its Joint Venture partner and accordingly the divestment was completed on 12th March 2021 at a consideration of ₹ 43 crore by exercising Put Option under the joint venture agreement. Consequently, the Company has recognised profit on sale of investment amounting to ₹ 4 crore under the head "Other income" during the year ended 31st March 2021.

During the year 2020-21, Favre Leuba AG (FLAG), a wholly owned subsidiary in Switzerland, had registered



a turnover of CHF 1.04 million i.e., ₹ 8 crore against the previous year's figures of CHF 0.89 million, i.e. ₹ 6 crore and loss of CHF 7.34 million, i.e. ₹ 58 crore (2019-20: CHF 7.19 million, i.e. ₹ 51 crore). During the year Financial Year 2020-21, the Company had invested CHF 3.61 million (₹ 28 crore) in FLAG as share application money. During the year, the Company had decided to significantly scale down the operations of FLAG due to the adverse impact on its operations post the COVID-19 pandemic. Consequent to this, the Company performed an impairment testing of its investments in FLAG and made an additional provision of ₹ 137 crore towards impairment of investment in FLAG.

Titan Watch Company Limited is a subsidiary of Favre Leuba AG and hence is a step-down subsidiary of the Company. It has a capital of HK \$ 10,000 and no Profit and Loss account has been prepared.

During the year, Titan Engineering & Automation Limited (TEAL) generated income of ₹ 354 crore against the previous year's figures of ₹ 462 crore, a decrease of 24% and the profit before tax was at ₹ 40 crore against the previous year's figures of ₹ 78 crore. The performance of TEAL was substantially hit due to the challenges faced by the Aerospace & Defence and Automation Divisions on account of COVID-19 pandemic. The TEAL Board has recommended a dividend of ₹ 5 per share on the face value of ₹ 10 per share aggregating to ₹ 24 crore (subject to applicable taxes) for Financial Year 2020-21.

CaratLane Trading Private Limited (CaratLane) is engaged in the business of manufacturing of jewellery products and has significant online and offline presence. During the last financial year, CaratLane recorded double digit growth in retail sales, with great emphasis on omni-selling. CaratLane added 25 stores in the year to take the store count to 117. During the year 2020-21, CaratLane registered a turnover of ₹ 716 crore (previous year: ₹ 621 crore) and recorded a profit of ₹ 2 crore for the first time as against the previous year's loss of ₹ 27 crore.

Titan Holdings International FZCO (Titan Holdings) which was formed on 22nd October 2019 as a Free Zone Company with a view to carry out business activities and invest in the share capital of any other companies/entities either as a joint venture partner or as its wholly owned subsidiary company for carrying out business activities. Titan Holdings incurred a loss of AED 0.60 million (₹ 1 crore) against previous year's loss of AED 0.31 million (₹ 0.59 crore).

During the year, Titan Global Retail LLC started its operations through the store opened in Dubai in October 2020 and registered a turnover of AED 19.20 million

(₹ 39 crore) and incurred a loss of AED 2.47 million (₹ 5 crore) against previous year's loss of AED 0.41 million (₹ 0.79 crore).

Titan Commodity Trading Limited (TCTL) was incorporated as a Wholly-Owned Subsidiary during the year with the objective of carrying on the business of trading in various commodities and products by acquiring or registering as a member of various commodity exchange/s and to acquire and build technology to facilitate trading, dealing, buying and selling of all types of direct commodities or commodity futures and other precious materials. Subsequently, TCTL is registered as a Trading Member on the Multi Commodity Exchange of India Limited. As of 31st March 2021, the Company had not started operations.

During the year, StudioC Inc. USA was incorporated as a 100% subsidiary of CaratLane, with the objective of retailing of jewellery in North America. However, the Company has not started any operations as of 31st March 2021.

The Company holds 26.79% stake in Green Infra Wind Power Theni Limited which supplies energy to the Company.

None of these subsidiary companies declared a dividend for Financial Year 2020-21 except TEAL.

The annual accounts of these subsidiary companies/JV company were consolidated with the accounts of the Company for Financial Year 2020-21.

18. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in **Annexure-I** to the Board's Report.

19. Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII of the Act and excluding activities undertaken in pursuance of its normal course of business. In addition to the projects specified as CSR activities under Section 135 of Act, the Company has also carried out several other sustainability/responsible business initiatives and projects. The Company has spent the entire 2% of the net profits earmarked for CSR projects during the Financial Year 2020-21. A report on CSR pursuant to Section 135 of the Act and Rules made thereunder is attached in **Annexure-II**.

In line with the amendments to the CSR Rules notified in January 2021, the Company has amended its CSR policy and the same has been uploaded on the website of the Company along with the Action Plan for the CSR activities for Financial Year 2021-22.

20. Annual Return

The link to access the Annual Return is <https://www.titancompany.in/sites/default/files/Annual%20Return%20for%202021.pdf>

21. Dividend Distribution Policy

The Dividend Distribution Policy, as amended by the Board at its meeting held on 29th April 2021 is annexed as **Annexure-III** to this Report.

22. Vigil Mechanism

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 and Insider Trading Code. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event an employee becomes aware of that could affect the business or reputation of the Company. The disclosures 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 concern. No person has been denied access to the Chairman to report any concern. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website at https://www.titancompany.in/sites/default/files/Whistle%20Blower%20Policy_1.pdf.

23. Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with.

24. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company continues to work towards ensuring a safe and secure workplace to all its employees. The

Company has matured in its practices and the awareness amongst employees in realizing their rights and responsibilities. Regular internal feedback mechanisms have shown encouraging signs of trust and confidence in the organization by various stakeholders (employees, partners and vendors).

The pandemic situation was an opportunity for the Internal Complaints Committee (ICC) members to adapt to the virtual reality quickly and increase the outreach. All stakeholders across geographies, viz. employees, contract and agency hires, vendors and associates are part of the virtual communication cascades. The regional heads or manufacturing/unit heads along with the leadership team also led the conversations with their respective teams on this subject. This has impacted positively with more and more stakeholders becoming familiar with the policy and gaining confidence to raise concerns with the locational committee members. About 81 such cascades covering over 3,000 stakeholders were held virtually. Other means of communication using short films, quizzes and games were continued to be shared on digital platforms.

During the financial year Financial Year 2020-21, the Company received 4 complaints on sexual harassment, 3 were disposed off with appropriate action taken and 1 complaint was pending as on 31st March 2021 which was disposed off as on the date of this report.

25. Details in Respect of Frauds Reported by Auditors Under Sub-Section (12) of Section 143 other than those which are Reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

26. Corporate Governance and Management Discussion and Analysis

As per SEBI LODR, Management Discussion and Analysis, Corporate Governance Report and Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

Pursuant to Regulation 34 of the SEBI LODR, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the SEBI LODR, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March 2021.

27. Business Responsibility Report

As per SEBI LODR, a Business Responsibility Report is attached and forms part of this Annual Report.

28. Directors and Key Managerial Personnel

Ms. Hema Ravichandar and Ms. Ireena Vittal were Independent Directors during part of the Financial Year 2020-21. Ms. Hema Ravichandar, Independent Director, retired from the Board with effect from 1st August 2020 upon completion of her second term as an Independent Director. Ms. Ireena Vittal resigned from the Board with effect from 1st October 2020 due to her increased pre-occupation with her other professional commitments. The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Ms. Hema Ravichandar and Ms. Ireena Vittal during their tenure as a member of the Board.

Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas and Dr. Mohanasankar Sivaprakasam were the Independent Directors during the entire financial year 2020-21. Ms. Sindhu Gangadharan and Mr. Sandeep Singhal were appointed as Independent Directors during the year. Ms. Sindhu Gangadharan was appointed as an Additional Director and Independent Director on the Board of the Company with effect from 8th June 2020 and subsequently approved by the shareholders at the thirty sixth Annual General Meeting held on 11th August 2020 as an Independent Director for a period of five years from 8th June 2020. Mr. Sandeep Singhal, on the basis of the recommendation of the Board Nomination and Remuneration Committee, was appointed as an Additional Director and Independent Director on the Board of the Company on 11th November 2020 for a period of five years subject to the approval of the shareholders in the ensuing Annual General Meeting.

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Board had, based on the recommendations of the Board Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Ashwani Puri as a Member of the Board and considering that

the continued association of Mr. Ashwani Puri would be beneficial to the Company, proposed to re-appoint Mr. Ashwani Puri as an Independent Director of the Company, not liable to retire by rotation, for a second term effective 3rd August 2021 up to 5th May 2026.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. V. Arun Roy retires by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

Subsequent to the end of financial year under review, Tamilnadu Industrial Development Corporation Limited (TIDCO) had withdrawn the nomination of Ms. Kakarla Usha, IAS as its nominee director and nominated Mr. Pankaj Kumar Bansal, IAS in her place. Accordingly, on 16th June 2021, the Board has appointed Mr. Pankaj Kumar Bansal, IAS as an Additional Director, who will hold office as Director up to this AGM and a resolution is placed in the ensuing AGM for his appointment as a director of the Company.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Ms. Usha Kakarla during her tenure as a member of the Board.

Members attention is drawn to Item No. 4 of the Notice for the re-appointment of Mr. V. Arun Roy as a Director of the Company, liable to retire by rotation, Item No.5 of the Notice for the reappointment of Mr. Ashwani Puri as an Independent Director of the Company for the second term, Item No.6 of the Notice for the appointment of Mr. Sandeep Singhal as an Independent Director of the Company for a period of five years from 11th November 2020 and Item No. 7 for appointment of Mr. Pankaj Kumar Bansal, IAS as a Director, liable to retire by rotation.

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

29. Details of Key Managerial Personnel who were Appointed or have Resigned during the year

None of the Key Managerial Personnel were appointed or resigned during the year. Pursuant to the provisions of Section 203 of the Act, Mr. C K Venkataraman-Managing Director, Mr. S. Subramaniam - Chief Financial Officer and Mr. Dinesh Shetty – General Counsel & Company Secretary continue to be the Key Managerial Personnel of the Company.

30. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained

by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and operating effectively.

Accordingly, pursuant to the requirements of Section 134 (5) of the Act, the Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and 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;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Board Evaluation

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Board Nomination and Remuneration Committee (BNRC) and the Board. This was based on questionnaire responses and feedback with each Director. Based on the questionnaire, the performance of every Director was evaluated by the BNRC and presentation was made to the Board and an action plan was drawn accordingly.

Some of the key criteria for performance evaluation, as laid down by the BNRC were as follows:

Performance evaluation of directors:

Contribution at Board/Committee meetings and Guidance/ support to Management outside Board/ Committee Meetings.

Performance evaluation of Board and Committees:

Board structure and composition, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to Committees, Effectiveness of Board Processes, Information and Functioning, Board Culture and Dynamics, Quality of relationship between the Board and Management, Efficacy of communication with External Stakeholders and Committees – strengths and areas of improvement.

32. Independent Directors

A separate meeting of the Independent Directors ("Annual ID Meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the BNRC with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Chairman of the Board.

33. Remuneration Policy

The Board has, on the recommendation of the BNRC, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The link to access the Remuneration Policy is <https://www.titancompany.in/sites/default/files/REMUNERATION%20POLICY%20FOR%20DIRECTORS.pdf>

34. Policy on Directors' Appointment and Remuneration and other Details

In accordance with the Joint Venture Agreement between the promoters, three Directors each may be nominated by Tata Sons Private Limited and Tamilnadu Industrial Development Corporation Limited.

The guidelines for selection of Independent Directors are as set out below:

The BNRC oversees the Company's nomination process for Independent Directors and in that connection to identify, screen and review individuals qualified to serve as an Independent Director on the Board. The BNRC further has in place a process for selection and the attributes that would be desirable in a candidate and as and when a candidate is shortlisted, the BNRC will make a formal recommendation to the Board.

35. Other Disclosures

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year:

Sl. No.	Name of the director	Ratio (times)	% change ¹
A] Director's remuneration			
1	Mr. N Muruganandam	3.02	-34.00
2	Mr. Arun Roy	3.49	-28.18
3	Ms. Kakarla Usha	2.73	NA ¹
4	Mr. N. N. Tata ²	NA	NA
5	Mr. Bhaskar Bhat	3.54	NA ¹
6	Ms. Hema Ravichandar ³	2.17	NA ¹
7	Ms. Ireena Vittal ⁴	3.28	NA ¹
8	Mr. Ashwani Puri	5.25	-30.68
9	Mr. B Santhanam	4.79	-20.90
10	Mr. Pradyumna Vyas	3.05	-16.59
11	Dr. Mohanasankar Sivaprakasam	4.26	NA ¹
12	Ms. Sindhu Gangadharan ⁵	2.66	NA ¹
13	Mr. Sandeep Singhal ⁶	1.21	NA ¹
14	Mr. C K Venkataraman	99.92	NA ¹
B] Key Managerial Personnel			
15	Mr. S Subramaniam	-	1.94
16	Mr. Dinesh Shetty	-	-2.56

Note : Aligning with the performance of the Company for Financial Year 2020-21, the Board approved payment of Commission to the non-executive Directors at 60% of the commission as eligible as per the criteria adopted by the Board.

- 1 The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2019-20 or in 2020-21.
- 2 In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non-Executive Director of the Company, as he is in full-time employment with another Tata Group Company
- 3 Ms. Hema Ravichandar ceased to hold office as an Independent Director of the Company with effect from 1st August 2020 upon completion of her second term as approved by the shareholders at the 35th Annual General Meeting of the Company.
- 4 Ms. Ireena Vittal resigned from the Company with effect from 1st October 2020.
- 5 Ms. Sindhu Gangadharan was appointed as an Independent Director on the Board effective 8th June 2020.
- 6 Mr. Sandeep Singhal was appointed as an Additional Independent Director on the Board effective 11th November 2020.

- ii) The percentage increase in the median remuneration of employees in the financial year: No increment was provided for the Financial Year 2020-21 as the sales and profits in Financial Year 2020-21 were projected to be significantly lower than the Financial Year 2019-20 levels due to the COVID-19 pandemic.
- remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
No increase was given during the previous year thereby there is no comparison with the managerial remuneration.
- iii) The number of permanent employees on the rolls of company: 7,235
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial
- v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop

and motivate a high performance and engaged workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms that remuneration is as per the Remuneration Policy of the Company.

36. Information as per Rule 5(2) of the Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary.

37. Auditors

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. BSR & Co., LLP have been appointed as Auditors for a term of five years, subject to ratification by the shareholders, from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting.

The Ministry of Corporate Affairs vide Notification dated 7th May 2018 notified several Sections of the Companies (Amendment) Act, 2017. In view of the said notification, the requirement of ratification of appointment of auditors, under Section 139 of the Companies Act, 2013, at each AGM is no longer required. Hence, the resolution to this item is not being included in the Notice to the AGM.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed V. Sreedharan & Associates, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure-IV**.

c) Cost Audit

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

38. Auditor's Report and Secretarial Auditor's Report

There are no disqualifications, reservations, adverse remarks or disclaimers in the auditor's report and secretarial auditor's report.

39. Disclosures of Transactions of the Listed Entity with any Person or Entity belonging to the Promoter/Promoter Group which hold(s) 10% or more Shareholding in the Listed Entity, in the format prescribed in the relevant Accounting Standards for Annual Results

Related Party Transactions with Promoter/ Promoter Group holding 10% or more shares

Tamilnadu Industrial Development Corporation Limited and Tata Sons Private Limited hold 10% or more shares in the Company. The details of transactions with promoter/promoter group holding 10% or more shares have been disclosed in the financial statements which is part of the Annual Report.

Acknowledgements

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

On behalf of the Board of Directors,

N Muruganandam
Chairman
Chennai

C K Venkataraman
Managing Director
Bengaluru

Annexure- I

[Pursuant to Section 134 of the Act and Rule 8 of the Companies (Accounts) Rules, 2014]

Technology Adoption, Adaptation and Innovation

Watches & Wearables Division

Watches & Wearables Manufacturing has successfully implemented innovations, adopted technologies in the following areas leading to higher productivity, safety, ergonomics, lead time reduction, and improved quality:

- High-speed Slim Series Micro Motors and Light assisted Hands Calibration system for a leading technology company in the USA.
- Implementation of RFID (Radio-Frequency Identification) based asset tracking and monitoring system for the assets at Hosur plant.
- Semi-Automation of Back-Cover Hook Embossing operations for reducing human intervention in these operations of repetitive nature which involves safety control and requires higher accuracy.
- **Robotic Process Automation (RPA)** : Business Process Automation Technology based on AI implemented across many tasks replacing repetitive work reducing 90% of man-hours required for creating master files
- **Persuasive Technology for sourcing and NPD:** This technology helps track and monitor the status of progress at the SKU level.
- **Metal Forming Simulation Using Deform:** The DEFORM system is an engineering software that enables Case Tool designers to simulate metal forming, important to enhance Tool design process capability, reduction in the average number of forming, lower RM consumption, tool life improvement.

Jewellery Division

The Jewellery Division has pioneered and implemented several new technologies in the industry like **3D Wax Printing, Computerized Numerical Control**, etc. and is getting equipped to become a **Smart Factory**.

Jewellery manufacturing division has invested in multiple technologies for ensuring Gold and Diamond authenticity.

Innovation

The Jewellery manufacturing division continued to address various business challenges through innovation projects

with the help of external as well as internal domain experts. The Total Employee Involvement Scheme has evolved as **IMPACT 2.0** and has continued to attract employee participation with newly designed and developed online portal. Many Kaizen projects and suggestions were implemented by employees to drive improvement across areas. Programs involving vendor partners in driving innovation for process improvements have seen significant progress during the year.

Eyewear Division

At Eyewear manufacturing, the division has successfully implemented innovations, adopted technologies in the following areas leading to higher productivity, safety, ergonomics and improved quality:

- **NEO**, the unique progressive lenses customised to the progressive wearers to enhance their vision comfort and perfectly suit their today's digital life. Crafted with 8 different innovative technologies, starting from variable inset to comfort view, these personalised lenses are available only with Titan, which are formulated and crafted using very high precision CNC machines from the state of the art facilities in-house. Since the launch, contribution of Neo progressive wearers is about 35% by volume of total Rx lenses produced, and there are 88K (Eighty Eight Thousand) happy customers who have experienced and availed the benefits of these innovative designs so far. There are two new innovative lens designs under pilot run, which are being designed to meet the very specific functional requirements like clear and comfort vision during conferences at office, working with gadgets. This will replace conventional reading glasses by use of add on high-tech designs.
- Customer service team has introduced a real time problem solving tool with an innovative platform **"We Connect"** using IOT - "We connect" is a platform, which enables virtual interaction between ISCM and retail stores through a pre-planned video conference call to provide real-time resolutions.
- **UV sanitizers** - Designed and manufactured to sanitize spectacles/jewels after every touch to avoid virus transmission.

- **IndiFit frames** - Crafted and launched exclusive collection through extensive study of Indian face and nose anatomy to enhance fit and comfort.
- Developed indigenous vendor sources to eliminate import of steel sheets
- Embellishments in eyewear manufacturing which results in sustainable savings of ₹ 75,00,000 annually.
- Development of product Vendors and Make in India drive for Frames and Sunglass have reached big milestone in FY21. Total of 8 Potential Vendors have been developed and received supply to an extent of 200K. Make in India drive has benefited on Product Cost / Speed to Market.
- **"TITAN WAVE"** an innovative tool has been launched at warehouse for trade channel. It is a real-time IT solution which works with SAP, Warehouse Management System-WMS and Order Management System (OMS) and has features like: 100% Alignment of allocated indents, Soft Blocking of inventory, Credit Limit check, Stock Accuracy, Inventory sink with multiple platforms, SKU BIN management, Live Tracking of Indent Status, Traceability by Unique Serial Number.

Conservation of Energy & Fuel:

Watches & Wearables

The Watches & Wearables Division has successfully implemented various energy and fuel conservation projects with internal expertise and association with external agencies in the areas of air conditioning, lighting, manufacturing process, cooling system, and effluent evaporation systems at its manufacturing facility. During Financial Year 2020-21, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives were:

- During 2020-21, 6.61 million units of energy was sourced from wind energy which represents 91 % of the annual energy consumption. Solar green power generation of 0.22 million units from the rooftop solar system installed at the Company's facility.
- Retrofitting of EC (electronically commutated) fans for the air handling units of air conditioning system implemented in two of the Air Handling Unit systems.
- Chilled water flow optimization through variable frequency drive – chilled water supply based on the demand and optimization of shop floor temperature

- Double Muffle Furnace, with double the capacity of Single Muffle Furnace, with 46% lower power consumption used in annealing of the watch case back covers.

The Watch manufacturing plant at Hosur has been awarded with:

- Green Tech Environmental Management Award-2020 under "Winner".
- CII Environmental Best Practices Award -2020 for its Sludge volute press.
- CII - DRA (Digitalization, Robotics & Automation) National award - Bronze award for the Utility system IIoT implementation.

Jewellery

a. Steps taken for Conservation of Energy

As a step towards achieving 100% Renewable Energy, the manufacturing division has explored several options and is working on the below mentioned possibilities:

- Setting up solar power plant for Hosur and Pantnagar factories
- Engaged with a power purchase agreement with zero investment

b. Sustainability

Jewellery Manufacturing Division has been driving sustainability initiatives successfully under the implementation of **"JSM" (Jewellery Sustainability Mission)**. The implementation of **ultra-filtered recycled water** for toilet flushing has significantly reused the available water. The wastes generated by the factory is reused as organic manure for the landscaping. The Pantnagar Factory has conducted a plantation drive and planted **10,000 trees on a single day**. Also, **Medicinal & Herbal Miyawaki forest** has been established in the Hosur factory to increase the green cover.

Eyewear

The Division has put many efforts to conserve energy in all possible ways. Among them, solar power project on rooftop has been initiated with 361KW capacity under lease model. Installation will be done in Financial Year 2021-22 and there will be energy savings of 500K units/ Year and reduction in carbon foot print by 40 Ton/ Year.

Sustainability

- The integrated eyewear manufacturing factory located at Chikkaballapur has been awarded with Gold award under International Green Manufacturing Challenges assessed by IRIM (International Research Institute for Manufacturing)
- **Recycle & Reuse** - Scrap corrugated packing waste has been recycled to make carry bags for retail use
- **Bio based material** - Use of bio-based polymer from Castor seeds in making a complete frame collection.

Transformation to Economy & Eco-friendly Packing Cases:

Have developed economical packing cases for Frames & Sunglass with Recyclable Material : reducing cost by 50%. Total quantity of eco friendly packing procured during 2020-21 is 5,00,000.

Expenditure on Research & Development

(₹ crore)

	Year Ended 31.3.2021	Year Ended 31.3.2020
a) Capital	1.89	2.44
b) Recurring	19.74	21.52
c) Total	21.63	23.97
d) Total R & D expenditure as percentage of turnover	0.10%	0.12%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 111 crore in foreign exchange and spent ₹ 363 crore.

On behalf of the Board of Directors,

N Muruganandam

Chairman
Chennai

C K Venkataraman

Managing Director
Bengaluru

28th June 2021

Annexure- II

Annual Report on CSR – 2020-21

Since inception, your Company has been a responsible corporation, always working to improve the quality of life of the community in general and specifically in communities present in the Company's areas of operation.

Your Company has charted out its programs and projects that impact the community both in the short term as well as in the long term. As part of its strategy, your Company will continue to support programs that have been in place historically while realigning and sharpening its focus towards the areas mentioned in the CSR policy.

During the year 2020-21, the CSR programs have reached out to 4.66 lakh individuals. These include the impact that has been created through interventions pertaining to the COVID-19 pandemic. Further, 33.24 lakh individuals /migrants were benefitted by the Company's exclusive program titled Mission Gaurav with the Tata Trusts in four states. Therefore, the reach has been in excess of 37.90 lakh individuals during the year 2020-21.

Key highlights for the year have been:

- Deep engagement towards the community during the pandemic times through both organisational and community support across the country
- The large scale introduction of technology for both reach and impact in most of the CSR programs in the areas of education and skilling, the biggest being the introduction of Mindspark, a technology-driven initiative for the girl child education
- Launch of Design Impact Movement for Social Change
- Launch of Vision Care Centre in two locations in Karnataka and Tamil Nadu
- Adoption of the Tribal ITI for holistic development in Tamil Nadu as part of Affirmative Action, through a formal Memorandum of Understanding with Government of Tamil Nadu
- Completion and hand over of 8 large water and sanitation projects in Uttarakhand

All other programs continue as per plans.

Based on the progress made so far, the Company has already exceeded the internal targets set out up to the year 2023 in terms of reach.

The reach has been classified into three categories, viz

- those that would create a direct or a transformational impact (example: A girl child educated)

- those which are a result of primary reach and that creates deep impact (example: A Teacher trained) and
- those that reach out to individuals for a shorter period, in terms of "touch" (example screening of the underprivileged for eye care).

In line with the requirements of the Companies Act, 2013 a brief statement on the impact assessment has been included for the year 2019-20 for projects that had spends in excess of ₹ 1 crore during that year.

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all locations over the years. During the year 2020-21, the Company clocked more than 4,000 person-hours of volunteering involving employees across the Company either in CSR projects or in local causes.

From the year 2021-22, your Company will spend considerable time and resources in taking forward its strategic plans on scaling up existing projects, and on working towards creating deeper impact across all its chosen areas as part of its Policy. It will also focus on restoration of all programs to pre-COVID-19 levels of significance and also enhance efforts to monitor and report impact.

The Company's CSR Policy can be accessed at:

https://www.titancompany.in/sites/default/files/CSR%20Policy%20%20Titan%20Company%20Limited_n.pdf

- Composition of CSR Committee:
 - Mr. Pradyumna Vyas - Chairman and Independent Director
 - Mr. V. Arun Roy - Non-Executive Director
 - Dr. Mohanasankar Sivaprakasam - Independent Director
 - Mr. C K Venkataraman - Managing Director
- The average net profits of the Company in three preceding financial years for the purpose of computation of CSR expenditure is ₹ 1,862.85 crore
- Mandated CSR expenditure (2% of II above) is ₹ 37.26 crore
- Details of the amount spent during the financial year:
 - Total amount spent in the financial year - ₹ 37.55 crore
 - Amount unspent Nil
 - Manner of spending – Refer Annexure
- The Board CSR Committee of Titan Company Limited hereby declares that the implementation and monitoring of the CSR Projects is in compliance with the CSR Objectives and Policy of the Company.

C K Venkataraman
Managing Director

Pradyumna Vyas
Chairman
Board CSR Committee

Annexure to Annexure II

1 Brief outline on CSR Policy of the Company

The CSR policy of the Company focuses on education, especially the education of the underprivileged girl child, skill development for the underprivileged and support for Arts, Crafts and Indian Heritage. While most programs will have a large focus on the girl child, the Company will also make all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with Disabilities. Being a pan-India organization, the Company will continue supporting local causes that are important to the communities with which it operates, including issues that are of national importance.

2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Arun Roy	Non-Executive, Non-Independent	2	1
2	Mr. Pradyumna Vyas	Non-Executive, Independent	2	2
3	Dr. Mohanasankar Sivaprakasam *	Non-Executive, Independent	2	1
4	Mr. C K Venkataraman	Managing Director	2	2
5	Ms. Hema Ravichandar #	Non-Executive, Independent	2	1
6	Ms. Ireena Vittal @	Non-Executive, Independent	2	1

* Dr. Mohanasankar Sivaprakasam was appointed on the CSR Committee effective from 8th June 2020.

Consequent upon her cessation effective 1st August 2020, Ms. Hema Ravichandar ceased to be a member of the Committee.

@ Consequent upon her resignation effective 1st October 2020, Ms. Ireena Vittal ceased to be a member of the Committee.

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

CSR Committee Composition:

https://www.titancompany.in/sites/all/themes/titancorporate/assets/Committee_Membership_of_Directors.pdf

CSR Policy:

https://www.titancompany.in/sites/default/files/CSR%20Policy%20-%20Titan%20Company%20Limited_n.pdf

CSR Projects:

<https://www.titancompany.in/sites/all/themes/titancorporate/assets/Excerpts-of-CSR-Projects-for-FY-2021.pdf>

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

The Company has been conducting internal assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and has initiated steps to conduct impact assessment of CSR projects. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in Financial Year 2020-21.

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Cr)	Amount required to be setoff for the financial year, if any (₹ in Cr)
1	2019-2020	Nil	Nil
2	2018-2019	Nil	Nil
3	2017-2018	Nil	Nil
TOTAL		Nil	Nil

6 Average net profit of the company as per section 135(5) ₹ 1862.85 Cr

7 (a) Two percent of average net profit of the company as per section 135(5) ₹ 37.26 Cr

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil

(c) Amount required to be set off for the financial year, if any Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 37.26 Cr

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Cr)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37.55	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial Year (₹ in Cr)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Cr)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District	Name						CSR Registration number	
NOT APPLICABLE												
TOTAL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent for the project (₹ in Cr)	7 Mode of implementation -Direct (Yes/No)	8 Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Titan Kanya - Academic support. Various centre in Government Schools	ii	No	Tamil Nadu	Krishnagiri and Tiruvannamalai	3.08	No	K C Mahindra Education Trust	
2	Titan Kanya - Education support for disadvantaged Girls (upto learning level 5)	ii	No	Uttarakhand, West Bengal, and Uttar Pradesh	Kanpur Dehat, Kanpur Nagar, Kheri, Mirzapur, Prayagraj, Saharanpur, Dehradun, Haridwar, Tehri Garhwal, Udham Singh Nagara, Uttarkashi, Murshidabad	3.67	No	IIIMPACT	
3	Multi thematic approach (Health/Education/ Livelihoods)	i, ii, iv	No	Tamil Nadu	Cuddalore	2.63	No	CARE India	Applicable for CSR activities undertaken with effect from April 1, 2021.
4	Multi thematic approach (Health/Education/ Livelihoods)	i, ii, iv	No	Karnataka	Yadgir	0.90	No	Kalike	Registrations are in process.
5	Science education in Kanya schools	ii	No	Tamil Nadu	Krishnagiri	0.34	No	Agastya International Foundation	Registrations are in process.
6	Teacher Training Program	ii	No	Tamil Nadu	Krishnagiri	0.60	No	Agastya International Foundation	Registrations are in process.
7	Support towards creating Civic awareness among children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.20	No	Children's Movement for Civic Awareness	
8	Scholarship for need and meritorious students in Tamil Nadu & Uttarakhand	ii	No	Tamil Nadu and Uttarakhand	Krishnagiri and various district of Uttarakhand	0.27	No	Direct implementation	
9	Education support for Tribal children and youth as part of Affirmative Action	ii	No	Karnataka	Mysore	0.46	No	Swami Vivekananda Youth Movement (SVYM)	

1	2	3	4	5		6	7	8	
				Item from the list of activities in schedule VII to the Act	Local area (Yes/No)			State	District
10	Scholarship for Tribal Children	ii	No	Tamil Nadu	Krishnagiri	0.05	No	Sri Ramakrishna Seva Ashrama	
11	Skill development at Titan LeAP skilling Center (Hub & Spoke Model)	ii	No	Tamil Nadu, Karnataka, Andhra Pradesh	Chennai, Chengalpeta, Coimbatore, Kanchipuram, Kanyakumari, Madurai, Salem, Sivakasi, Sivagangai, Tenkasi, Tiruppur, Tirunelveli, Tiruvannamalai, Vellore, Virudhunagar, Bengaluru, Ananthpur	2.31	No	Naandi Foundation, Mitraz Foundation, SAFAL	
12	Teacher Training - Mysore, Karnataka	ii	No	Karnataka	Mysore	0.45	No	Swami Vivekananda Youth Movement	Applicable for CSR
13	Employability skill development For Engineering students	ii	No	Tamil Nadu	Ariyalur, Coimbatore, Cuddalore, Dindigul, Kanchipuram, Kanyakumari, Madurai, Nagapattinam, Ramanathapuram, Tanjore, Tuticorin, Tiruvannamalai, Trichy, Villupuram	0.69	No	Naandi Foundation	activities undertaken with effect from April 1, 2021. Registrations are in process.
14	Employability skill development For ITI students	ii	No	Tamil Nadu	Ariyalur, Coimbatore, Cuddalore, Erode, Kallakurichi, Karur, Krishnagiri, Nagapattinam, Namakkal, Nilgiris, Pudukottai, Salem, Tanjore, Tiruvarur, Tirupur, Tiruvannamalai, Trichy, Villupuram	0.25	No	Naandi Foundation	
15	Rehabilitation / Skilling / Placement of underprivileged disabled youth	ii	No	Karnataka	Bengaluru, Dharwad, Chitradurga, Gadag, Belgaum,	1.00	No	Association of People with Disability	

1	2	3	4	5		6	7	8	
				Local area (Yes/No)	Location of the project			Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)
16	Livelihood and entrepreneurship development for women	x	No	Tamil Nadu	Tiruvannamalai	0.13	No	Reviving Green Revolution Cell	
17	Adoption and support to Government Tribal ITIs	ii	No	Tamil Nadu	Namakkal, Salem, Tiruvannamalai, Coimbatore, Nilgiris	0.30	Yes	IMC	
18	Building entrepreneurship skills for trafficked women	ii	No	West Bengal	Murshidabad	0.14	No	Anudip Foundation	
19	Project Tana Bana - First time ever, reaching out to create women weavers and impacting around 30 families	v	No	Uttar Pradesh	Varanasi	0.14	No	Human Welfare Organization	
20	Support for 600+ women weavers across North Karnataka	v	No	Karnataka	Shimoga	0.16	No	CharKha	Applicable for CSR activities undertaken with effect from April 1, 2021.
21	Creating a platform to connect craftspersons with market (The Shilp Route)	v	No	Pan India	Various districts	0.12	No	SVP Philanthropy Foundation	Registrations are in process.
22	Transforming Crafts, an initiative of Tata Trusts for rekindling Indian Handloom Sector	v	No	Orissa, Assam, Nagaland, Andhra Pradesh	Various districts	0.63	No	Tata Education and Development Trust	
23	Program recognizing design thinking in product design that enable social change	i, ii & iv	No	Pan India	Various districts	0.85	No	Foundation for Innovation and Social Entrepreneurship	
24	Design Impact Movement	i, ii & iv	No	Pan India	Various districts	0.75	No	Research and Extension Association for Conservation Horticulture and AgroForestry	

1	2	3	4	5		6	7	8	
				Item from the list of activities in schedule VII to the Act	Local area (Yes/No)			State	District
25	Integrated Village Development Program (Uttarakhand)	i, ii & iv	No	Uttarakhand	Tehri Garhwal	0.50	No	Himmotthan Society	
26	Watershed - Himmotthan	i, ii & iv	No	Uttarakhand	Tehri Garhwal	1.10	No	Himmotthan Society	
27	Watershed programs for livelihood	i, ii & iv	No	Tamil Nadu	Cuddalore	0.53	No	National Agro Foundation	
28	Happy Eyes Program - Comprehensive Eye care including support to Cataract and glasses for under privileged	i	No	Karnataka, Tamil Nadu, Bihar	Yadgir, Raichur, Gulbarga, Kolar, Chamarajinagar, Shimoga, Cuddalore, Mandya, Saran, Coimbatore and Salem	1.26	No	Sankara Eye Foundation	
29	Happy Eyes Program - Mobile Rural Vision Screening Program (MRVP)	i	No	Karnataka	Bengaluru	0.13	No	Sankara Eye Foundation	Applicable for CSR activities undertaken with effect from April 1, 2021.
30	Prevention of Substance abuse among youth in schools	ii	No	Sikkim	Various districts	0.70	No	SAATHI	Registrations are in process.
31	Neighbourhood initiatives as a responsible Corporate citizen	i,ii,iv	No	Pan India	Various districts	0.80	No	Various Organisations with Bengaluru Indiranagar Rotary Trust, St. Jude India ChildCare Centres and Aim for Seva	Registrations are in process.
32	COVID-19 response across the country	i	No	Rajasthan, Chhattisgarh, Jharkhand, Orissa, Karnataka, Maharashtra and Sikkim	Various districts	12.36	No	Tata Education and Development Trust and other organisations	
Total						37.51			

(d)	Amount spent in Administrative Overheads (₹ in Cr)	0.04
(e)	Amount spent on Impact Assessment, if applicable	Nil
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 37.55 crore
(g)	Excess amount for set off, if any	Nil

Sl. No.	Particular	Amount (₹ in Cr)
(i)	Two percent of average net profit of the company as per section 135(5)	37.26
(ii)	Total amount spent for the Financial Year	37.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Cr)	Amount spent in the reporting Financial Year (₹ in Cr)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Cr)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-2020	Nil	Nil	Not Applicable		Not Applicable	Nil
2	2018-2019	Nil	Nil	Not Applicable		Not Applicable	Nil
3	2017-2018	Nil	Nil	Not Applicable		Not Applicable	Nil
TOTAL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Cr)	Amount spent on the project in the reporting Financial Year (₹ in Cr)	Cumulative amount spent at the end of reporting Financial Year (₹ in Cr)	Status of the project - Completed/ Ongoing
Total					Not Applicable			

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

Pradyumna Vyas
Chairman
Board CSR Committee

C K Venkataraman
Managing Director

DIVIDEND DISTRIBUTION POLICY*

SCOPE AND PURPOSE

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been adopted by the Company.

OBJECTIVE

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e., 4th November 2016

KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies;

- Outstanding borrowings;
- Past Dividend Trends

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, if any;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Dividend Range:

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take

*Amended as on 29th April 2021

into account optimal shareholder return. The Company would endeavour to target a total dividend pay-out ratio in the range of 25% to 40% of the Annual Standalone Profits after Tax (PAT) of the Company.

Parameters adopted with regard to various classes of shares:

Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 1 each and Preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises only of equity shares.

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Procedure:

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject

to shareholders approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations.

General:

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure- IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2021

To,
The Members
Titan Company Limited
3, SIPCOT Industrial Complex
Hosur - 635126

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Titan Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2021 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other Laws Applicable to the Company namely:
- a. Industries (Development & Regulation) Act, 1951
 - b. The Factories Act, 1948
 - c. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
 - d. The Apprentices Act, 1961
 - e. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - f. The Employees State Insurance Act, 1948
 - g. The Workmen's Compensation Act, 1923
 - h. The Maternity Benefits Act, 1961
 - i. The Payment of Gratuity Act, 1972
 - j. The Payment of Bonus Act, 1965
 - k. The Industrial Disputes Act, 1947
 - l. The Trade Unions Act, 1926
 - m. The Payment of Wages Act, 1936
 - n. The Minimum Wages Act, 1948
 - o. The Child Labour (Regulation & Abolition) Act, 1970
 - p. The Contract Labour (Regulation & Abolition) Act, 1970
 - q. The Industrial Employment (Standing Orders) Act, 1946
 - r. Equal Remuneration Act, 1976
 - s. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
 - t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
 - u. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
 - v. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
 - w. Dangerous Machines (Regulation) Act, 1983
 - x. Indian Boilers Act, 1923
 - y. The Karnataka Shops & Establishments Act, 1961
 - z. The Industrial Establishments (National and Festival Holidays) Act, 1963
 - aa. The Labour Welfare Fund Act, 1965
 - bb. The Karnataka Daily Wage Employees Welfare Act, 2012
 - cc. The Environment Protection Act, 1986
 - dd. The Water (Prevention & Control of Pollution) Act, 1974
 - ee. The Water (Prevention & Control of Pollution) Cess Act, 1977
 - ff. The Air (Prevention & Control of Pollution) Act, 1981
 - gg. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
 - hh. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
 - ii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
 - jj. The Competition Act, 2002
 - kk. The Indian Contract Act, 1872
 - ll. The Sales of Goods Act, 1930

- mm. The Forward Contracts (Regulation) Act, 1952
- nn. The Indian Stamp Act, 1899
- oo. The Transfer of Property Act, 1882
- pp. Indian Explosives Act, 1884
- qq. Legal Metrology Act, 2009
- rr. Electricity Act, 2003
- ss. Information Technology Act, 2000

We have been informed by the Company that there is no law specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking shorter notices to the Board and committee meetings, obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

There was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

UDIN Number: F007260C000198101

Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 29, 2021

'Annexure'

To,
The Members
Titan Company Limited
3 SIPCOT Industrial Complex
Hosur - 635126

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

UDIN Number: F007260C000198101

Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 29, 2021