



TITAN COMPANY LIMITED

(formerly Titan Industries Limited)
CIN No.: L74999TZ1984PLC001456
3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

FORM DPT-1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

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

Sr. No.	PARTICULARS	INFORMATION
I. GENERAL INFORMATION		
a.	Name, address, website and other contact details of the company.	Titan Company Limited, No. 3, SIPCOT Industrial Complex, Hosur, 635 126, Tamil Nadu. www.titan.co.in. Ph: 04344-276037
b.	Date of incorporation of the company.	26 th July 1984
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	The Company is engaged in business of: <ul style="list-style-type: none"> Jewellery Eyewear Precision Engineering
	BUSINESS CARRIED ON BY THE SUBSIDIARIES OF THE COMPANY:	1) Titan Time Products Limited: Manufacture and supply of electronic sub-assemblies 2) Fare Leuba AG, Switzerland: Owns the Fare Leuba brand and plans to market Premium Swiss made Watches Corporation Limited, 19A Marshall Road, Egmore, Chennai - 600 009. 3) Titan Engineering and Automation Limited: Incorporated on 18th March 2015 for transfer of the Company's Precision Engineering Business to its wholly owned subsidiary Titan Engineering and Automation Limited through a court approved scheme of arrangement. 4) Titan Watches Limited, Hong Kong: Titan Watch Company is a subsidiary of the Company's subsidiary Fare Leuba AG, Switzerland. It has a capital of HK \$ 10,000 and no Profit and Loss account has been prepared as it has not yet commenced business.
	DETAILS OF BRANCHES / UNITS OF THE COMPANY:	The Company has: <ul style="list-style-type: none"> - Regional offices at Bangalore, New Delhi, Mumbai and Kolkata - Manufacturing units at Hosur (Tamil Nadu), Coimbatore (Tamil Nadu), Chikballapur (Karnataka), Bommasandra (Karnataka), Dohnad (Uttarhand), Roorkee (Uttarhand), Faranagar (Uttarhand), and Kolkata (West Bengal)
d.	Brief particulars of the management of the company.	The Company is managed by the Managing Director and a team of professional managers, subject to the superintendence, control and direction of the Board of Directors.
e.	Names, addresses, DIN and occupations of the directors.	
	Mr. C. V. Sankar, IAS (Chairman)	Additional Chief Secretary to the Government of Tamil Nadu, Industries Department, Secretariat, Chennai - 600 009.
	Mr. Shashank Bhat (Managing Director)	No. 884, Chattranya, Indiranagar I Stage, Bangalore - 560 038.
	Mr. T. K. Arun	Senior General Manager & Secretary, Tamil Nadu Industrial Development Corporation Limited, 19A Marshall Road, Egmore, Chennai - 600 009.
	Mr. Harish Bhat	Bombay House, 24 Homi Bhabha Street, Mumbai - 400 001.
	Mr. N. N. Tota	Bombay House, 24 Homi Bhabha Street, Mumbai - 400 001.
	Dr. C. G. Krishadas Nair	Chandrabhai Mann, 2388/1, 16th A Main, HAL II Stage, Kothahalli, Bangalore - 560 008.
	Mr. T. K. Balaji	Chairman, Lucas-TVS Ltd. Corporate Office, Aalam Centre, 82, Dr. Radhakrishnan Salai, Chennai - 600 004.
	Ms. Vinita Bhal	Flat No. 1104, Tulaj Prashant Enclave, Cunningham Crescent Road, Bangalore - 560 092
	Mr. Hemu Ravichandrar	No. 17, Mayeville Road, Langford Town, Bangalore - 560 025.
	Prof. Das Narayanas	127, Stanton Avenue, Massachusetts - 02466, USA.
	Ms. Teena Vittal	A2 / 1202, World Spa East, Sector 30/41, Gurgaon - 122 001.
	Mr. Ashwini Puri	28/2, Friends Colony (West), New Delhi - 110 065.
f.	Management's perception of risk factors	Management perceives risk factors of Titan Company Limited as a joint venture between the Titan Nadu Industrial Development Corporation Limited and Tata Group is listed on the BSE Limited and National Stock Exchange of India Limited. The Company has been in existence for over 30 years and has grown from a one product Company to a multidiversified multi-product entity with revenues of Rs. 11,328 crores and profits before tax was Rs. 870 crores for the year ended 31st March 2016. The net worth of the Company is Rs. 3,530 crores and the Company has consistently paid equity dividends for 25 years. The Company does not have any long term debt in its capital. The monies being raised under the deposit scheme are purely advances from the customers towards jewellery purchases and hence do not pose any financial risk except normal business risk that any company in business may face.
g.	Details of default, including the amount involved, duration of default and present status, in repayment of:	
	(i) Statutory Dues: Nil	
	(ii) Debentures and interest thereon: Nil	
	(iii) Loan from any bank or financial institution and interest thereon: Nil	

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	8,878	8,878	8,878
Reserves and surplus	342,582	300,323	243,517
	351,460	252,395	196,487
(2) Non-current liabilities			
Long-term provisions	10,692	8,745	7,176
	10,692	8,745	7,176
(3) Current liabilities			
Short-term borrowings	11,305	9,979	80,627
Trade payables	173,920	193,931	85,771
Other current liabilities	81,925	30,895	154,802
Short-term provisions	8,351	34,473	29,923
	275,501	269,279	351,123
Total	637,653	567,224	610,694
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	75,856	67,986	59,035
Intangible assets	1,004	337	589
Capital work-in-progress	10,605	5,493	3,287
	87,465	73,816	62,911
Non-current investments	7,398	3,263	2,657
Deferred tax asset (net)	2,293	1,967	935
Long-term loans and advances	27,921	24,283	21,784
	124,477	103,329	88,287
(2) Current assets			
inventories	444,224	404,743	386,720
Trade receivables	19,513	18,735	15,202
Cash and cash equivalents	11,166	21,020	88,892
Short-term loans and advances	37,908	38,961	29,822
Other current assets	365	436	1,671
	513,176	483,895	522,407
Total	637,653	567,224	610,694

a.	Date of passing of Board resolution.	01st May 2016
b.	Date of passing of resolution in this regard, following the invitation of such deposits.	23rd September 2014
c.	Type of deposits: i. whether secured or unsecured.	Unsecured
d.	Details of deposit amounts:	
(i)	Aggregate of deposits actually held on:	Rs. 80,234.26 lakhs
(ii)	As at the date of issue of circular (01st May 2016):	Rs. 51,238.58 lakhs
(iii)	As on the date of issue of circular (01st May 2016):	Rs. 50,136.21 lakhs
(iv)	Amount of deposits proposed to be raised:	Rs. 30,102 lakhs
(v)	Amount of deposit receivable in next twelve months:	Rs. 31,328 lakhs
e.	Terms of raising of deposits:	
	Duration of advance:	18 months tenure
	Key conditions:	18 months jewelry purchase scheme, where the customer has to pay 12 installments and the balance matured after 300 days from the date of raising the advance.
	Rate of interest:	Since it is a jewelry purchase scheme, there is no return offered on interest. However, discount is offered at the time of purchase of jewelry by customer as follows: (i) 2% discount on 300 days, based on the date of raising the advance. (ii) 3% discount on 300 days, based on the date of raising the advance. (iii) 4% discount on 300 days, based on the date of raising the advance. (iv) 5% discount on 300 days, based on the date of raising the advance. (v) 6% discount on 300 days, based on the date of raising the advance. (vi) 7% discount on 300 days, based on the date of raising the advance.
	Mode of payment:	Direct Debit (DD) - DD/MS/ Credit Card/ Debit Card/ Cheque/ Payment by way of cheque/DD
	Mode of repayment:	Repayment of the advance will generally be by way of purchase of jewelry. In case the customer requests refund in cash, payment will be made by cheque/DD/ electronic transfer.
f.	Proposed fee schedule mentioning the date of opening of the Scheme and the date of closing of the Scheme and the amount of fee which the circular or advertisement is said to:	The Company has been operating these schemes for its customers with effect from 1st November 2014. This scheme is being offered to the customers with effect from 01st May 2016. The scheme will be closed on 31st March 2017. The Company will make the amount of Rs. 30,102 lakhs available for more than 18 months after the date of the issue of this circular.
g.	Reasons or interests of raising the deposits:	The Company has been operating these schemes for its customers with effect from 1st November 2014. This scheme is being offered to the customers with effect from 01st May 2016. The scheme will be closed on 31st March 2017. The Company will make the amount of Rs. 30,102 lakhs available for more than 18 months after the date of the issue of this circular.
h.	Credit rating obtained:	(i) Name of the Credit Rating Agency: ICR A Limited (ii) Rating obtained: BAA1 (unsubordinated or Mr. Vinu A) (iii) Meeting of rating obtained: The subject is being 'watch' / AAA is the highest credit quality rating assigned by ICR A. The rated deposits programme carries lowest credit risk. Valid till 16th July 2018. (iv) Date on which rating is obtained: 16th September 2014 and a fresh rating will be obtained upon expiry of the validity of this rating.
i.	Extent of deposit insurance:	(i) Name of the insurance Company: No insurance company is currently providing deposit insurance services till date. Deposit insurance will be taken and cover the same is made available by insurance companies. (ii) Scheme of insurance coverage: Nil (iii) Extent of coverage: Nil
j.	Short particulars of the charge created or to be created or securing such deposits, if any:	Unsecured and there are no mortgages
k.	Any financial or other material interest of the directors, promoters or any managerial personnel in such deposits and the effect of such interest, if any, as is different from the interests of other persons:	Nil

3. DETAILS OF ANY OUTSTANDING DEPOSITS			
a.	Amount outstanding:	Rs. 30,102 lakhs	
b.	Date of accretion:	On or before 31st March 2018	
c.	Total amount secured:	Rs. 30,102 lakhs	
d.	Date of interest:	Once it is a jewelry purchase scheme, there is no return offered on interest. However, discount ranging between 5% and 7% of one installment is offered to customer at the time of purchase of jewelry.	
e.	Total number of deposits:	2,42,115	
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of deposits, amount and duration of default, if any:	Nil	
g.	Any matter by which depositors, or interest accrued on deposits, are affected:	Nil	
4. FINANCIAL POSITION OF THE COMPANY			
A. Profits of the company, before and after making provision for tax for the three financial years immediately preceding the date of circular or advertisement:			
Financial year:	Profit Before Tax (Rs. in lakhs)	Profit After Tax (Rs. in lakhs)	
2015-16	67,585	76,585	
2014-15	505,569	62,307	
2013-14	101,280	74,114	
B. Dividends declared by the company in respect of the said three financial years: Interest coverage ratio for last three years (Cash profit plus interest paid/interest paid)			
Financial year:	Dividend Declared	Interest Coverage Ratio	
2015-16	18,831	326	20.12
2014-15	35,419	210	12.39
2013-14	58,644	575	10.29
C. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement (figures of previous years were regrouped wherever necessary).			

Particulars	2015-16	2014-15	2013-14
I. Cash flow from operating activities			
Net profit before tax	97,268	185,528	90,150
Adjustments for:			
- Depreciation & amortization expense	6,658	6,736	6,059
- Net unrealized exchange gain/(loss)	201	(746)	27
- Market to Market loss	-	-	29
- Loss on sale/subsidiary/acquisition of fixed assets (net)	450	413	-
- Bad trade receivables written off	(174)	545	1
- Interest income	(4,826)	(5,425)	(11,844)
- Dividend income	(610)	(26)	-
- Net gain on sale of current investments	3,910	(26)	8,711
- Finance costs	4,226	8,286	8,711
Operating profit before working capital change	96,999	116,799	105,258
Adjustments for:			
- Increase / decrease in trade receivables	(979)	(3,904)	1,986
- Increase / decrease in inventories	(30,487)	(19,029)	(16,565)
- Increase / decrease in short term loans and advances	(1,024)	(4,745)	2,852
- Increase / decrease in long term loans and advances	(267)	(2,393)	(3,128)
- Increase / decrease in trade payables	(24,800)	(26,012)	887
- Increase / decrease in other current liabilities	55,242	(123,705)	8,009
- Increase / decrease in long term provisions	1,547	1,258	617
- Increase / decrease in short-term provisions	(11,544)	1,768	600
- Cash generated from operations	86,898	76,279	(26,614)
- Change in loans and advances	(20,273)	(24,498)	(24,571)
Net cash flow from operating activities	66,625	51,781	(51,194)
II. Cash flow from investing activities			
Additions to fixed assets (including capital work-in-progress and capital advances)	(24,726)	(20,801)	(20,877)
Proceeds from sale of fixed assets	220	257	190
Proceeds from sale of investments in subsidiaries	(4,138)	(806)	(86)
Proceeds from sale of long term investments	-	-	-
Inter-company deposits (net)	3,600	(4,800)	(9,000)
Bank balances not considered as cash and cash equivalents	861	(5,628)	(8,203)
Current investments not considered as cash and cash equivalents	-	-	-
- Purchase	(187,505)	(13,300)	-
- Sale proceeds	506,210	53,524	-
Dividends received	4,875	7,648	11,226
Interest received	1,817	1,231	3,846
Net cash used in investing activities	(181,779)	(12,436)	(27,562)
III. Cash flow from financing activities			
Proceeds from borrowings	21,229	210,000	176,627
Repayment of borrowings	(20,000)	(263,840)	(81,545)
Dividends paid	(39,441)	(18,523)	(18,202)
Tax on dividends paid	(8,153)	(3,160)	(3,160)
Finance costs	(4,226)	(8,286)	(8,711)
Net cash flow from financing activities	(60,591)	(103,809)	(48,030)
Net cash flow during the year (A+B+C)	(151,639)	(63,854)	(133,056)
Cash and cash equivalents (opening balance)	16,839	70,753	111,800
Net cash flow from operating activities	-	-	44
Net cash flow from investing activities	-	-	-
Net cash flow from financing activities	-	-	-
Cash and cash equivalents (closing balance)	16,839	70,753	111,844
Other (Less): Unrealized exchange gain/(loss)	2,676	16,839	78,353
Other (Less): Unrealized exchange gain/(loss)	(683)	(178)	83
	2,834	16,712	78,436
Increase (decrease) in cash and cash equivalents	(9,864)	(82,956)	(33,028)
Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company. There is no change in accounting policies during the last three years.			
5. DECLARATION BY DIRECTORS			
The Board of Directors hereby declare that:			
a.	The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
b.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
c.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
d.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
e.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
f.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
g.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
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j.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
k.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		
l.	The Company has not defaulted in the payment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.		

MR. C. V. SANKAR, IAS (Chairman)
 DR. C. G. KRISHNADAS NAIR
 MRS. VINITA BALI
 MR. SHASHANK BHAT
 MR. T. K. ARUN
 MR. HARISH BHAT
 MRS. HEMU RAJIVCHANDAR