



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]

Sl. No.	PARTICULARS	INFORMATION
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: 0434-276037
b.	Date of incorporation of the company.	20 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: - Watches and Accessories - Jewellery - Eyewear - Precision Engineering
BUSINESS CARRIED ON BY THE SUBSIDIARIES OF THE COMPANY:		
1) Titan Timeproducts Limited: Manufacture and supply of electronic sub-assemblies		
2) Favis Leuba AG, Switzerland: Owns the Favis Leuba brand and plans to market Premium Swiss made Watches		
3) Titan Engineering and Automation Limited: Incorporated on 24 th 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, HongKong: Titan Watch Company is a subsidiary of the Company's subsidiary Favis 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: - Regional offices at Bangalore, New Delhi, Mumbai and Kolkata - Manufacturing units at Hosur (Tamil Nadu), Coimbatore (Tamil Nadu), Chikballapur (Karnataka), Bommasandra (Karnataka), Dehachin (Uttarakhand), Plochee (Uttarakhand), Pandrugar (Uttarakhand) and Kolkata (West Bengal)		
The Company is managed by the Managing Director and a team of professional managers, subject to the supervision, control and direction of the Board of Directors.		
d.	Brief particulars of the management of the company.	
e.	Names, addresses, DIN and occupations of the directors.	

Name	Address	DIN	Occupation
Mr. C. V. Sankar, IAS (Chairman)	Additional Chief Secretary to the Government of Tamil Nadu, Industries Department, Secretariat, Chennai - 600 009	00703294	Indian Administrative Service
Mr. Bhaskar Bhat (Managing Director)	No. 804, Chaitanya, Indiranagar 1 stage, Bangalore - 560098	00148778	Managing Director
Mr. T. K. Arun	Senior General Manager & Secretary, Tamil Nadu Industrial Development Corporation Limited, 19-A Marshall Road, Egmore, Chennai - 600 008	02163427	Company Executive
Mr. Harish Bhat	Bombay House, 24 Horns Mody Street, Mumbai - 400 001	00478198	Company Director
Mr. H. H. Tala	Bombay House, 24 Horns Mody Street, Mumbai - 400 001	00554715	Company Director
Dr. G. Krishnadas Nar	Chandrasekhar, 2389/1, 19th A Main, HPL Stage, Kothvala, Bangalore - 560 008	00059689	Company Director
Mr. T. K. Balaji	Charman, Lucas-TVS Ltd., Corporate Office, Admi Centre, B2, Dr. Radhakrishnan Satal, Chennai - 600 004.	00005810	Industrialist
Ms. Vinita Bali	Flat No.1104, Tulip Pavilion Exotic, Cunningham Crescent Road, Bangalore - 560 052	00032840	Company Director
Mrs. Nirma Ravichandrar	No. 17, Meyyanthi Road, Langford Town, Bangalore - 560 025.	00037809	Strategic HR Advisor
Prof. Das Paragjyoti	127, Stanton Avenue, Massachusetts 02466, USA.	00318031	Senior Associate Dean, Harvard Business School
Mrs. Ireena Vittal	A2 / 1202, World Spa East, Sector 30/41, Gurgaon - 122 001.	05195656	Independent Strategy Advisor
Mr. Ashwani Puri	28/2, Friends Colony (West), New Delhi - 110 055.	00109862	Chartered Accountant & Management Consultant
Mr. K. Gnanadesikan	Plot No. 1190, Anna Nagar West End Colony, Mogappair, Chennai 600 050.	00111798	Indian Administrative Service

f. Management's perception of risk factors:
Titan Company Limited is a joint venture between the Tamil Nadu Industrial Corporation Limited and Tata Group and is listed on the BSE Limited and a 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 multi divisional multi location entity with revenues of Rs. 11,328 crores and profits before tax of Rs. 870 crores for the year ended 31st March 2016. The net worth of the Company is Rs. 3,550 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 its 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) Stakeholders: Nil
(ii) Depositors and interest thereon: Nil
(iii) Loan from any bank or financial institution and interest thereon: Nil

h. Mode of repayment:
Redemption of the advance will generally be by way of purchase of jewellery. In case the customer requests refund in cash, payment will be made by cheque/DD/ electronic transfer.

i. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:
The Company has been operating these schemes for its customers with effect from 1st November 2014. This circular is being issued to continue to accept subscriptions during the FY 2016-17. This circular shall be valid till 30th September 2017 or the date of the Company's Annual General Meeting in 2017, whichever is earlier.

Reasons or objects of raising the deposits:
The Company has been operating the above jewelry schemes for more than a decade. As per the Companies Act, 2013 advances collected under these schemes are construed as deposits. For the Company, these schemes are customer acquisition programs, whereas for the customer, these schemes provide an opportunity to purchase jewellery by investing on a monthly basis.

h. Credit rating obtained:
(i) Name of the Credit Rating Agency: I C R A Limited
(ii) Rating obtained: AAAA (previously as M Triple A)
(iii) Meaning of rating obtained: The outlook on the rating is 'stable'. AAAA is the highest-credit-quality rating assigned by ICRA. The rated deposits programme carries lowest credit risk. Valid till 30th September 2016.
(iv) Date on which rating is obtained: 16th September 2015 and a fresh rating will be obtained upon expiry of the validity of the rating.

3. DETAILS OF ANY OUTSTANDING DEPOSITS

a. Amount outstanding:	Rs. 53,130 lakhs
b. Date of acceptance:	On various dates
c. Total amount accepted:	Rs. 77,493 lakhs during F.Y. 2015-16 upto 31st March 2016
d. Rate of interest:	Since it is a jewellery purchase scheme, there is no return offered as interest. However, discount ranging between 50% and 75% of one instalment is offered to customer at the time of purchase of jewellery.
e. Total number of depositors:	2,44,103
f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:	Nil
g. Any security by the depositors of interest amount on deposits:	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	87,066	70,585
2014-15	105,589	82,307
2013-14	101,593	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 after tax plus interest paid / interest paid)

Financial year	Dividend Declared		Interest Coverage Ratio
	Amount (Rs. in lakhs)	%	
2015-16	19,531	22.0	20.12
2014-15	20,419	23.0	12.29
2013-14	18,644	21.0	10.26

42) Non-current liabilities			
Long-term provisions	10,692	0,740	7,176
	10,692	0,740	7,176
43) Current liabilities			
Short-term borrowings	11,305	0,570	80,897
Trade payables	173,000	183,911	88,771
Other current liabilities	81,926	30,896	181,802
Short-term provisions	6,051	34,473	29,523
Total	376,601	269,878	361,123
	637,663	687,334	616,664
44) Non-current assets			
Fixed assets	75,050	07,900	09,000
Intangible assets	1,004	537	580
Capital work-in-progress	10,605	5,403	-
Total	87,459	73,816	62,911
45) Non-current investments			
Deferred tax asset (net)	7,398	3,263	2,657
Long-term loans and advances	2,293	1,867	939
Total	27,221	24,500	21,794
	124,477	108,326	84,705
46) Current assets			
Inventories	444,224	404,743	386,793
Trade receivables	19,513	18,735	15,202
Cash and cash equivalents	11,166	31,020	88,800
Short-term loans and advances	37,008	38,061	30,020
Other current assets	565	436	1,671
Total	513,176	483,895	522,497
	812,800	797,224	610,898

c. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement (figures of previous years were required whenever necessary).

Cash generated from operations	80,058	75,271	(26,614)
- Direct taxes paid	(20,273)	(24,188)	(28,618)
Net cash from / (used in) operating activities	59,785	50,733	(55,129)
B. Cash flow from investing activities			
Additions to fixed assets (including capital work-in-progress and capital advances)	(24,739)	(20,861)	(20,679)
Proceeds from sale of fixed assets	223	231	160
Purchase of investments in subsidiaries	(4,138)	(806)	(806)
Proceeds from sale of long term investments	3	-	-
Inter-corporate deposits (net)	3,800	(4,800)	(5,000)
Bank balances not considered as cash and cash equivalents	891	5,958	(5,283)
Current investments not considered as cash and cash equivalents	-	-	-
- Purchased	(107,500)	(13,900)	-
- Sold proceeds	108,310	13,524	-
Dividends received	-	-	-
Interest received	4,875	7,640	11,226
Net cash used / (used in) investing activities	(18,175)	(12,494)	(27,692)
C. Cash flow from financing activities			
Proceeds from borrowings	21,328	210,000	173,027
Repayment of borrowings	(20,000)	(280,648)	(95,542)
Dividends paid	(39,411)	(19,923)	(18,523)
Tax on dividends paid	(8,133)	(3,168)	(3,168)
Finance costs	(4,223)	(3,065)	(8,711)
Net cash from / (used in) financing activities	(60,478)	(100,406)	49,683
Net cash flows during the year (A+B+C)	(8,866)	(62,056)	(33,028)
Cash and cash equivalents (opening balance)	10,039	70,750	111,000
Add: Cash and bank balances acquired on amalgamation	-	-	-
Add / (Less): Unrealised exchange (gain) / loss	(79)	63	44
Cash and cash equivalents (closing balance)	16,760	78,815	111,844
Add / (Less): Unrealised exchange (gain) / loss	(82)	(79)	63
Increase / (decrease) in cash and cash equivalents	(8,866)	(62,056)	(33,028)

e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: There are no changes 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 there on;
b. They have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
c. The Company has complied with the provisions of the Act and the rules made there under;
d. The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
e. The deposits accepted by the Company before the commencement of the Act have been repaid and undivided amounts will be returned to customers and balance undivided subscription amounts will be treated as unsecured and ranking pari passu with other unsecured liabilities;
f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;
g. The deposits shall be used only for the purposes indicated in the Circular or Circular in the form of advertisement;
h. The deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the Company.

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 3rd August 2016, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

S/-
K. GNANADES KAN BHASKAR BHAT N N TATA
HARISH BHAT C G KRISHNADAS NAIR IREENA VITTAL
T K ARUN HEMA RAMCHANDAR VINITA BALI
ASHWANI PURI