

TITAN COMPANY LIMITED

(Formerly Titan Industries Limited)

CIN: L74999TZ1984PLC001456

Regd. Office: 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu, India

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NOTICE

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the Resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot/e-Voting. The Explanatory Statement pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form (the "Form") for your consideration. The Board of Directors has appointed Mr. Vijayakrishna K T, Practicing Company Secretary, Bangalore as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours on Saturday, September 13, 2014.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the Postal Ballot Form. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director. The result of the Postal Ballot would be announced by a Director or the Company Secretary of the Company on Monday, September 15, 2014 at the Registered Office of the Company. The said result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed along with the Scrutinizer's report on the Company's website viz. www.titan.co.in.

Item No. 1: Alteration of incidental objects in the Memorandum of Association of the Company to permit Acceptance of Deposits:

To consider and, if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013; Clause 22 of III(b) of Memorandum of Association of the Company dealing with the incidental or ancillary Objects to be pursued by the Company be amended by deletion thereof and be substituted by the following new clause:

"22. To borrow or raise or secure the payment of money for the purposes of the Company in such manner and on such terms as may seem expedient and in particular in the issue of debentures or debenture stock whether perpetual or otherwise, accept deposits from Members and/or Public and charge or not charged upon the whole or any part of the property of the Company, both present and future, including its uncalled capital, without conducting any banking business as defined under the Banking Regulation Act, 1949."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

Item No. 2: Alteration in the Articles of Association of the Company to permit Acceptance of Deposits:

To consider and, if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013, the Article 133(a)(xv) of the Articles of Association of the Company be altered by deletion thereof and be substituted by the following new article:

"(xv) To borrow by issue of bonds, debentures, notes or securities of the Company, accept deposits from Members and/or Public or otherwise either secured by a charge or mortgage or otherwise the whole or any part of the property of the Company, or unsecured, as the Directors may deem expedient, such sums as they think necessary for the purpose of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

Item No. 3: Acceptance of Deposits from Members under Section 73(2) of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 73(2) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured/secured deposits including advances for the Company's Jewellery Schemes from its Members of the Company up to permissible limits and subject to fulfillment of applicable terms and conditions as prescribed under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation/ acceptance/renewal of deposits by the Company."

Item No. 4: Acceptance of Deposits from Public under Sections 76 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured/secured deposits including advances for the Company's Jewellery Schemes from the Public up to permissible limits and subject to fulfillment of applicable terms and conditions as prescribed under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation/ acceptance/renewal of deposits by the Company."

By order of the Board of Directors

Bangalore
1st August 2014

A R Rajaram
Head-Legal and Company Secretary

NOTES:

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited as on July 25, 2014.
3. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up Ordinary Share capital of the Company as on July 25, 2014.
4. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically.
5. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with Postal Ballot Form through post/courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the link www.evoting.nsdl.com or from the 'Investors' section on the Company's website www.titan.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 1 and 2

In order to enable the Company to invite or accept Public deposits, it is proposed to amend clause 22 of III(b) of Memorandum of Association pertaining to incidental and ancillary objects to the attainment of the main objects of the Company as well as Article 133(a)(xv) of the Articles of Association of Company. By virtue of Section 13 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Section 14 of the Companies Act, 2013, approval of Members by way of special resolution under postal ballot is sought to amend the Memorandum and Articles of Association of the Company.

The Board of Directors of the Company has approved these proposals in the Board Meeting held on August 1, 2014 and recommends the Resolutions as set out in the accompanying Notice for approval of Members of the Company as Special Resolutions.

None of the Directors or Key Managerial Personnel or their respective relatives is concerned or interested in the Resolutions at Item Nos. 1 and 2 of the Notice.

Item Nos. 3 and 4

The Company has been operating the Golden Harvest Scheme and Swarna Nidhi Jewellery Purchase Schemes under its brand Tanishq for many years now. Through both these schemes, lakhs of customers have been able to acquire precious Tanishq Jewellery for various occasions. The Jewellery Division of the Company has been successfully operating these schemes enabling customers to purchase Jewellery for many years. As on commencement of the year, the Company had around seven lakhs subscribers contributing to these schemes. These schemes were not covered under the Companies Act, 1956 relating to acceptance of 'deposits' as such schemes were exempt from the definition of 'deposits'. However, under the Companies Act, 2013 and Rules made thereunder ('Deposit Rules') the scope of the term "deposit" has been enlarged and therefore a view has been taken that the jewellery purchase schemes offered by the Company to its customers will be treated as deposits. Though acceptance of 'advances' against goods (up to 365 days) and property are excluded from the definition of an 'advance', the explanation to the definition of 'deposit' under the Deposit Rules, provides that any amount (a) received by the company, whether in the form of installments or otherwise, from a person with promise or offer to give returns, in cash or in kind, on completion of the period specified in the promise or offer, or earlier, accounted for in any manner whatsoever, or (b) any additional contribution, over and above the amount under item (a) above, made by the company as part of such promise or offer, shall be treated as a deposit. Due to this explanation under the definition of 'Deposit', the Company's Jewellery purchase schemes are deemed to be deposits and have to comply with Chapter V of the Act and the Deposit Rules.

In the circumstances, the Company discontinued fresh enrolment of subscribers and has initiated steps to close the current customer schemes, which are expected to be wound down by 31st August 2014.

The Ministry of Corporate Affairs on 1st April, 2014 *inter alia* notified Sections 73 and 74(1), 75 and 76 of the Companies Act, 2013 (the Act), relating to acceptance of deposits by Companies from its Members and Public subject to the terms and conditions set forth in the Act and the Rules. The Companies (Acceptance of Deposits) Rules, 2014 also came into force on 1st April, 2014 further classifies public companies having net worth of not less than Rs. 100 crores (Rupees One Hundred crores) or turnover of not less than Rs. 500 crores (Rupees Five Hundred crores) as an eligible company and prescribes certain specific terms and conditions to be complied with by these companies. Since the Act and Rules are applicable to the Company, it would necessitate the Company to comply with the requirements of the Act and also ensure compliance with the Deposit Rules, before commencing acceptance/renewal of deposits from its Members and from Public.

After careful consideration and in the best interest of the Company, the Board of Directors of the Company has approved this proposal in the Board Meeting held on August 1, 2014 and recommends the Resolutions as set out in the accompanying Notice for approval of Members of the Company as Special Resolutions.

None of the Directors or Key Managerial Personnel or their respective relatives is concerned or interested in the Resolutions at Item Nos. 3 and 4 of the Notice.

By order of the Board of Directors

Bangalore
1st August 2014

A R Rajaram
Head-Legal and Company Secretary