TITAN
COMPANY

SEC 40 /2015

20th August 2015

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Kind Attn: Manager - Listing

Dear Sir,

Sub: Minutes of Annual General Meeting

Pursuant to Clause 31(d) of the Listing Agreement, we enclose herewith certified copy of the minutes of the 31st Annual General Meeting of the Company held on 31st July 2015.

Kindly acknowledge receipt.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

A.R. Rajaram
Head –Legal & Company Secretary

HELD AT _____ ON _____ TIME _____

MINUTES OF THE THIRTY FIRST ANNUAL GENERAL MEETING (the "Meeting" or "AGM") OF TITAN COMPANY LIMITED (the "Company" or "Titan") HELD ON FRIDAY, 31st JULY, 2015 AT 3:00 PM AT THE REGISTERED OFFICE OF THE COMPANY AT 3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126, TAMILNADU

The following Directors were present:-

Mr. C.V. Sankar, *Chairman*
Mr. Bhaskar Bhat, *Managing Director*
Dr. C.G. Krishnadas Nair, *Independent Director and Chairman of Audit Committee*
Mr. T.K. Balaji, Director, *Independent Director and Chairman of Stakeholders Relationship Committee*
Ms. Hema Ravichandar, *Independent Director and Chairman of Nomination and Remuneration Committee*
Mr. N.N. Tata, *Director*
Ms. Ireena Vittal, *Independent Director*
Mr. T.K. Arun, *Director*
Mr. Harish Bhat, *Director*

Mr. M N Balaji, Partner, Deloitte Haskins & Sells was also present at the Meeting.

Mr. Pramod S M, Practicing Company Secretary was also present at the Meeting.

The Meeting was attended by 110 members in person.

Mr. C.V. Sankar, Chairman, presided over the Meeting.

The Chairman called the Meeting to order at 3:00 PM and stated that the required quorum was present. The Chairman stated that the Proxy Register, the Auditors' Report and the Statutory Registers were open for inspection. The Chairman introduced the Directors of the Company who were present at the Meeting.

With the consent of the Members present, the Notice convening the Meeting was taken as read.

Addressing the Meeting, the Chairman made the following speech:

Ladies and Gentlemen,

It is my privilege once again to welcome you all to the 31st Annual General Meeting of your Company.

The Economy
Despite a better economic outlook, the year gone by witnessed lukewarm demand improvement. The market saw significant disruption by e-commerce players trying to build their share in each category. However, the steady fall in the consumer price inflation and reduction in the rates of interest by RBI is a reflection of confidence on controlled inflation which is expected to fuel future growth.

In spite of moderate levels of growth of the Indian economy, growing aspirations and positive sentiment of consumers going forward and good macro-economic indicators such as low inflation and stable rupee are expected to drive discretionary spends up. A large untapped opportunity has emerged in tier 3 & 4 towns where consumer aspirations are comparable to large urban areas but access is restricted. This is now being further tapped by the rapid rise in e and m-commerce, fuelled by smart phone penetration, all auguring well for your Company.

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CHAIRMAN'S INITIALS

A.R. RAJARAM
HEAD LEGAL & COMPANY SECRETARY

Performance & Outlook

Watches & Accessories

In the last fiscal year, the Watches and Accessories Division of your Company registered an overall value growth of 6% despite sluggish consumer sentiment, environment of deep discounts and lack of consumer appeal to watches as compared to other lifestyle products. During the year, the Watches & Accessories Division chose to invest in and strengthen its brands, brought out a slew of new products and significantly enhanced its market presence in terms of look and feel. As shareholders are aware, the Company has the largest retail and distribution network for watches in India.

The emergence of E-commerce as a significant channel manifested itself strongly during the year. E-commerce has in many ways changed shopping behavior where many consumers now research and select products on e-commerce sites and then go to stores where they compare prices before buying.

In manufacturing, the new plant set up in Coimbatore to manufacture high-end stainless steel cases has commenced commercial production and will largely benefit the import substitution efforts of the Division. To leverage movement manufacturing, the Division now manufactures and exports components to Swiss Quartz movement manufacturers.

Jewellery

The Jewellery Division's performance was relatively good as compared to the previous year in spite of less than favourable regulatory conditions, particularly the circumscribing of the GHS jewellery purchase scheme. The absence of the scheme for much of FY16 will have its continuing effect in the immediate term. However, given the socio-economic changes in the society that still have many decades of momentum, the opportunities for the Jewellery Division's brands in the medium term and beyond are large.

The Jewellery business in the recent past has been significantly impacted by multiple government policy and action like customs duty increase, restrictions on gold import, curbs on monthly advance purchase schemes for customers, and the need to produce the PAN card for jewellery purchase above Rs 1 lakh which are aimed at curtailing black money generation the efficacy of which is doubtful. Your Company has been advocating freeing the industry from such regulation that only impedes the progress of law abiding and tax paying entities like ours and favours unscrupulous ones. All our consumer facing divisions face similar unorganized competition and apart from advocacy are continuously educating customers on the benefits of transacting with a respected and legally compliant company such as ours.

Eyewear

Ladies and Gentlemen, it gives me immense pride in sharing with you the fact that the Eyewear Division of your Company had one more year of healthy growth of 24% over the previous year. The Division had one of the best years of network expansion and all of its new endeavours have been well received in the market.

The Eyewear division has succeeded in both attaining leadership in the category as well as in endearing itself to millions of customers, thanks to its exceptional product quality and service.

I wish to reiterate here that all the three consumer facing divisions of your Company have shown strong resilience in the face of prolonged period of sluggish economy and are poised to grow at a greater clip once the economic situation improves further.

The fourth Division of your Company, the Precision Engineering Division's competence has been receiving recognition from global customers and expects to grow significantly. However, this business is capital intensive and strategic associations which can facilitate technology

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development may be necessary for business development. With this objective in mind, your Company has now created a 100% subsidiary company called Titan Engineering and Automation Limited (TEAL) which, after adequate capitalisation will run the Precision Engineering business as a separate entity.

Retail Network

Your Company had yet another good year in terms of network expansion with a net addition of 123 stores. Your Company has plans to add 200+ stores in 2015-16 to further grow its presence in the Indian market.

Human Resource

Your Company recognises that its most valuable asset is its talented and capable human capital. The attrition rate of the Company stood at 8.3%, one of the lowest in the industry. Several initiatives have been taken to improve the Employee Experience leveraging technology. A notable achievement this year was your Company receiving the National Award for the Empowerment of Persons with Disabilities - 2014 from the Government of India.

Corporate Social Responsibility

The new Companies Act, 2013 makes it mandatory for your Company to constitute a Corporate Social Responsibility (CSR) Committee and spend 2% of its average net profits over the last 3 years on CSR activities. It is with great pride I would like to tell you that your Company had constituted a CSR committee well before this became a law and has spent to the tune of Rs. 12.32 crores in the previous year which is more than 3 times of what it had spent in FY 2013-14.

The Company's chosen areas for long term investments are in empowering the under privileged girl child, skill development of the dis-advantaged youth of India and supporting exploited communities engaged in traditional Arts and Crafts of the country.

Preparing for an increasingly Digital World

The rapid rise of e and m-Commerce that I mentioned earlier and an increasingly digital world present your Company with both opportunities and challenges. To respond to this, your Company is creating a digital horizontal that will identify and build common capability across all the divisions. This horizontal will focus on increasing our online influence helping fuel our retail sales; driving e and m-Commerce; improving analytics & insights and to build a single view of our customers.

Awards and Recognition

Your Company has a long history of winning awards in all the activities it ventures into. Some of the awards won by your Company this year are:

- *Titan was ranked #22 in the Best Workplaces list for India and #2 among Retail Companies for the year 2014-15.*
- *Titan won the Global Knowledge Management Award at 'Global Awards for Excellence in Quality Management & Leadership.*
- *Titan was awarded the National Award for the Empowerment of Persons with Disabilities - 2014 by the Ministry of Social Justice & Empowerment, Government of India.*

Acknowledgements

I would like to thank all our esteemed shareholders, customers, business associates, vendors, bankers and the media for their continued support, trust and co-operation. I would also like to appreciate the hard work, dedication and the tireless effort of our employees and Management for the accomplishments of your Company.

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HEAD-LEGAL & COMPANY SECRETARY

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Let me conclude by assuring you that we shall continue to strive to take the Company to greater heights in the years to come.

The Chairman mentioned that e-voting facility as well as ballot forms was provided to the shareholders to cast their votes in respect of all businesses mentioned in the notice.

The Chairman asked the Company Secretary to read out the Auditors' Report, which was done.

The Chairman stated that there will be no show of hands at this Annual General Meeting and that to enable the members present at the meeting in person or by proxy to cast their vote, a poll will be taken in respect of the items and businesses contained in the Notice of the AGM.

The Chairman appointed Mr. Pramod S M, Practising Company Secretary to act as the scrutinizer for the Poll to be taken at the AGM and requested him to lock and seal the empty polling box in the presence of the members and proxies.

The Chairman further requested the shareholders who have exercised their votes through e-voting to not participate in the vote at the time when poll is taken at the AGM, which is as per the Company Law.

The Chairman invited Members to participate in the discussions and seek clarifications.

The following Shareholders spoke at the Meeting:

1) Mr. K. Sadananda Sastry (Client ID. 30354599) Mr. Sastry expressed his happiness on the good arrangements done by the Company for the shareholders for the Annual General Meeting. He complimented the Management for the good transport facilities and excellent food arrangements organized by the Company at Hosur. He requested the Board that the Company shall ensure timely delivery of the Annual Report to all the shareholders. He enquired about the increase in the Research & Development (R&D) expenditure and raised concerns as to whether there is a need for such expenditure. He wanted to know whether the operations of the plant situated in Uttarakhand are beneficial to the Company, if not, why has the Company opted to launch its plants in an area like Uttarakhand. He raised concerns regarding the availability of the resources in the flood-hit area of Uttarakhand. He also posed a question regarding an increase in the expenditure with respect to trade payables. He pointed out that the advertisement expenditure is at a higher end and wanted to know if there is a need to incur such huge costs on advertisements. He enquired as to why the Company opted to open two stores in close proximity in the area of Banshankari. He also suggested that the Company should increase and widen its CSR engagements and activities along with providing more employment opportunities for the betterment of the society. He further enquired if the activities undertaken by the NGOs to whom the Company had made donations to were controlled by the Company or have they been allowed complete freedom of operation.

   Mr. Bhaskar Bhat, Managing Director replied to all the questions on behalf of the Board.
   - The expenditure on the R&D activities has been incurred by the Company foreseeing the long term benefits. The amount invested by the Company in such activities is very less for a Company the size of Titan and that the said expenditure is comparatively lower when compared to the other players in the market and there shall be an increase in the expenses towards R & D activities in the future.
   - The Company will take all the necessary measures to ensure the timely delivery of the Annual Report to the shareholders.

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- The watch and the jewellery assembly plants in Uttarakhand were started in the year 1991 and the investment has reaped significant profits for the Company. The Company's plants in Uttarakhand were not affected by the natural disaster and the Company's investment has helped in providing employment opportunities to the local workers thereby contributing to the upliftment of the people in the area and that keeping in view the excise duty and the income-tax benefits the Company derives from the said plants has proved to be economically beneficial for the Company and it plans to continue its operations in Uttarakhand.
- The increase in the trade payables is an outcome of the special scheme 'Gold on lease' launched by the Company, which has proved to be beneficial for the Company.
- The expenditure on advertisement helps Titan build its brand name and the money spent by Titan is not even 4% of the turnover of the Company, which is on the lower side in the consumer facing sector.
- The two outlets in Banshankari caters to different segments of consumers and has generated higher sales for the Company.
- The Company intends to widen its engagement in the CSR activities. He also pointed out that the amount contributed to the NGOs were monitored and controlled by the Company and were hired by the Company after conducting proper due diligence.

2) Mr. N.T. Nagaraj (Client ID. IN 30018311974828) complimented the Company for its excellent performance. He admired how the Company is growing year by year. He raised a complaint about the Jayanagar World of Titan store which has been handled by a franchisee. He further stated that the dealer in the said store misbehaves with the customers. He further criticised and made defamatory statements about the Company, accusing the Company of maladministration and mismanagement. He protested against the legal notice served to him last year by the Company for a similar instance. Irrespective of the allegations made by Mr. Nagaraj, the Chairman and the Managing Director rebutted his claims and clarified that the staff employed by the Company in all its stores across the country extend a warm and courteous treatment to all its customers. Mr. Sankar further highlighted that the quality of the services provided by Titan is excellent which reflects in the Company's market share. Mr. Bhat stated that there are mystery audits conducted at various stores, the results of which points to a good level of service by the store.

3) Mr. Srinivas Gupta (Client ID: IN 2044334) congratulated Titan for its outstanding performance. Acknowledging the excellent efforts and achievements of Titan, he was curious to understand as to why the Company has not yet explored manufacturing of mobile phones. He asked the Board whether Titan intends to enter into the mobile business. Thanking Mr. Srinivas for his kind words, Mr. Bhat stated that the Company has already evaluated this opportunity and decided to stay out of it.

The Chairman invited the Members to take part in the poll and stated that a consolidated report on total votes cast in favour and against shall be submitted by the Scrutinizer to the Chairman within the prescribed time from the conclusion of the AGM and the Company Secretary would declare the same by publishing it on the Company's website, the website of NSDL and by notifying the Stock Exchanges where shares of the Company are listed.

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The Chairman informed that approval of the shareholders was sought by e-voting, Ballot Form and Poll for the following resolutions at the 31st Annual General Meeting on 31st July 2015:

1. **Adoption of Financial Statements, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2015.**

   "**RESOLVED THAT** the audited Financial Statements of the Company together with the Reports of the Board of Directors and Auditors Report and the audited Consolidated Financial Statement of the Company together with the Report of the Auditors thereon for the year ended 31st March 2015 be and are hereby approved and adopted."

2. **Declaration of dividend on equity shares for the financial year 2013-14**

   "**RESOLVED THAT** subject to the Articles of Association and as recommended by the Directors in their Report dated 7th May 2015, equity dividend for the year ended 31st March 2015 of Rs. 2,041,908,168/- at the rate of Rs. 2.30 (Rupees Two and Thirty Paisa only) on 88,77,86,160 equity shares of Re. 1 each, free of tax, be paid to those shareholders appearing in the Members' Register and eligible for receipt of equity dividend per Notice."

3. **Re-appointment of Mr. N.N. Tata as a Director**

   "**RESOLVED THAT** Mr. N.N. Tata (DIN 00024713), who retires by rotation, be and is hereby appointed as a Director of the Company."

4. **Re-appointment of Mr. T.K. Arun as a Director**

   "**RESOLVED THAT** Mr. T.K. Arun (DIN 02163427), who retires by rotation, be and is hereby appointed as a Director of the Company."

5. **Appointment of Auditors**

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty second AGM of the Company to be held in the year 2016 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

6. **Appointment of Branch Auditors**

   "**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), as amended from time to time, the Board of Directors of the Company be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

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7. Ratification of Cost Auditors' Remuneration

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act read with the relevant Rules thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 3,00,000/- (Rupees Three lakhs only) plus applicable service tax and reimbursement of out of pocket expenses to M/s PSV & Associates, Cost Accountants, (Firm Registration No. 00304) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending on 31st March 2016."

8. Commission to Non-Executive Directors

"RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013 and Article 125 (a) of the Articles of Association of the Company and within the limits stipulated in Section 197(1) of the Companies Act 2013, the Company be and is hereby authorised to pay remuneration by way of Commission, to Directors who are neither in the whole-time employment of the Company nor Managing Director(s) of the Company.

RESOLVED FURTHER THAT the gross amounts to be disbursed as remuneration to all such Directors shall not exceed one per cent of the net profits of the Company, computed in the manner referred to in Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors may, pursuant to the recommendations of the Board Nomination and Remuneration Committee, decide the exact amount to be disbursed by way of Commission within the limits stipulated above and its allocation amongst the eligible Directors."

9. Appointment of Director

"RESOLVED THAT Mr. Harish Bhat who was appointed as a Director by the Board of Directors of the Company with effect from 20th April 2015 and who holds office up to the date of this Annual General Meeting under section 161 of the Companies Act, 2013 read with Article 117 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a shareholder proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

The Chairman declared the meeting closed at 04:05 PM.

C.V. Sankar, IAS
Chairman

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FINAL ANALYSIS COMBINING BOTH POLLING PAPERS AND E-VOTING IS AS FOLLOWS:

Resolution No.	Particulars	Total Number of Shares	Voted in Favour	Voted against	Percentage (in favour)	Result
1.	Adoption of Financial Statements for the year ended 31st March 2015	633,268,047	633,268,046	1	100.00%	Approved
2.	To declare dividend on equity shares for the financial year ended 31st March 2015	637,401,079	637,401,053	26	100.00%	Approved
3.	Re-appointment of Mr. N.N. Tata as a Director	637,102,866	547,161,015	89,941,851	85.88%	Approved
4.	Re-appointment of Mr. T.K. Arun as a Director	634,965,864	624,209,858	10,756,006	98.31%	Approved
5.	Appointment of Statutory Auditor	637,101,111	634,500,702	2,600,409	99.59%	Approved
6.	Appointment of Branch Auditors	637,103,148	637,095,593	7,555	100.00%	Approved
7.	Ratification of Cost Auditors' Remuneration	637,092,337	637,089,387	2,950	100.00%	Approved
8.	Commission to Non-Executive Directors	633,334,716	633,296,336	38,380	99.99%	Approved
9.	Appointment of Director	637,096,338	634,268,974	2,827,364	99.56%	Approved

C.V. Sankar, IAS
Chairman

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