Chapter-4

BACKDROP OF TITAN

4.1 Genesis and Growth of Titan

Titan Industries is a venture of prestigious Tata Group. Titan Industries is the organisation that brought about a paradigm shift in the Indian watch market when it introduced its futuristic quartz technology, complemented by international styling. With India’s two most recognised and loved brands Titan and Tanishq to its credit, Titan Industries is the fifth largest integrated watch manufacturer in the world.

The success story began in 1984 with a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation. Presenting Titan quartz watches that sported an international look, Titan Industries transformed the Indian watch market. After Sonata, a value brand of functionally styled watches at affordable prices, Titan Industries reached out to the youth segment with Fastrack, its third brand, trendy and chic. The company has sold 100 million watches world over and manufactures 11 million watches every year.

With a license for premium fashion watches of global brands, Titan Industries repeated its pioneering act and brought international
brands into Indian market. Tommy Hilfiger and Hugo Boss, as well as the Swiss made watch – Xylys owe their presence in Indian market to Titan Industries. Entering the largely fragmented Indian jewellery market with no known brands in 1995, Titan Industries launched Tanishq, India’s most trusted and fastest growing jewellery brand. Gold Plus, the later addition, focuses on the preferences of semi-urban and rural India. Completing the jewellery portfolio is Zoya, the latest retail chain in the luxury segment.

Titan Industries has also made its foray into eyewear, launching Fastrack eyewear and sunglasses, as well as prescription eyewear. The organisation has leveraged its manufacturing competencies and branched into precision engineering products and machine building. With over 500 retail stores across a carpet area of 6,40,000 sq. ft, Titan Industries has emerged as India’s largest retail network. The company has over 280 exclusive ‘World of Titan’ showrooms and 745 after-sales-service centres. Titan Industries is also the largest jewellery retailer in India with 115 Tanishq boutiques, 2 Zoya boutiques and 30 Gold Plus stores.¹

Backed by 4,200 employees, two exclusive design studios for watches and jewellery, over five manufacturing units, and innumerable admirers world over, Titan Industries continues to grow and sets new standards for innovation and quality. The

organization is all geared to repeat the Titan and Tanishq success story with each new offering.

4.2 Organizational Profile

Turning back the hands of time pre-1980s, Tata Press conceived an idea to conquer the Watch Industry. Initial negated pioneering efforts aside, perseverance won the day. Titan Watches sprang into being with the signing of a joint venture of Tata Industries with the Tamil Nadu Industrial Development Corporation (TIDCO) in June of 1984. From that point on it has been full steam ahead.

First Milestone

Titan commenced production end 1986 and hit the market in March 1987 with its brand ‘Titan’. The analogue electronic Quartz range met instant acclaim, appeasing a hungry watch-starved consumer market. This spurred encouragement and manufacture extended to bracelets, cases, electronic circuitry and step motors.

Along the way

Spanning 25-years of growth, the Titan Watch Project became Titan Watch Division and ultimately Titan Industries. Production kept an impressive pace, topping the 10 million plus mark per

\[2\] www.tata.com
year. Three years down the trail produced a dividend of 15% – today, 2009, sees a declaration of 100%!

Numerous technologies and sources came into play during this period. Progress was swift, steady and stamped with characteristic Titan aplomb. This led to innumerable achievements and accolades. Audaciously challenging the Swiss, Titan now is the world’s largest integrated manufacturer of watches. A major brand player, Titan stakes claim to 60% of the organized watch market, with over 100 million pieces sold across 30 countries collectively.

**Manufacturing Locations**

In successive events, the ‘World of Titan’ exclusive showrooms mushroomed nation-wide, currently totaling 480+. The main manufacturing facility is situated at Hosur in Tamilnadu with assembly units up north in Dehradun, Baddi, and Roorkee. Its Electronic Circuit Board plant is in Goa.

Titan notably left its’ footprint in Europe in 1993; then came a major one in the Middle East and the Asia-Pacific regions. Titan now happily ticks its way across twenty-six countries around the globe. Internationally, Titan’s business amounts to over 675k watches annually.
A brief joint venture with the Japanese Timex between 1992 and 1998, focusing on market mass, prospered. The brand Timex jumped to 2nd place next to Titan, in popularity. On dissolution of the partnership, Titan reclaimed market share by launching Sonata, an absolute winner, followed by an astute array of wrist wear - Titan, Fastrack, and Xyllys brands, luxury watches and designer timescapes - a range of outdoor clocks - defining spectacular landmarks in several cities. Pacing on, the Swiss and Japanese watch fraternity was justifiably astounded, not only with the state-of-art Production facility established by Titan, but also with its highly trained, dedicated, youthful workforce.

Endorsing the Tata spirit, Charles Correa, a world-renowned architect, was commissioned and fashioned a complete modern township at Mathigiri to accommodate over 2000 Titanians, complete with an excellent School that doubles as a learning facility for neighbouring district schools.

**Diversification**

Diversification accelerates progress. Titan’s expansion plans in 1993 turned to jewellery, with a brand launch ‘Tanishq’ in 1996. Then a spate of new ventures followed suit, Fastrack – the youth watch and accessories line in 2003; Precision Engineering in 2005, Goldplus the standardized mass marketing of jewellery in 2006 and the Titan Eyewear Division in 2007 - a project of prescription eyewear, complete with specialized outlets, catering to customers’
every need. Of these wholesome ventures, Tanishq and Goldplus proved Titan’s mettle indisputably.

Catering primarily to a country which views gold as a prime investment, believes that it is auspicious, and finds it an irresistible adornment, Titan literally struck it rich by its entry into the world of traditional and designer jewellery.

The concept of entering the glitter field, in order to forge a way out of a foreign exchange crunch of the early 1990s, appealed to Titan Industries considerably. And yet again, though early steps were far from expectancy, the innovative Titan spirit came to the fore, turning adversaries into achievement, and how!!

Foreign Exchange being no consequence subsequently, caused Titan to focus exclusively on the home market. Today, Tanishq - the first branded jewellery player and Goldplus, are righteous equivalents of the Cartier, Tiffany, Esprit, and Ernest Jones of the West in credibility, standards and fame. Tanishq offers a stunning world of exquisite, precious designer ware through 117 stores in 75 townships across the nation. Goldplus has a proud market share of around 40% in the semi-urban and rural scenario, whilst still in its infancy. These two ventures are a pride to India and to Titan Industries, for they certainly keep value-conscious customers happy and contented.
VISION & MISSION

Titan Vision:

To be a world-class, innovative and progressive organisation and to build India’s most desirable brands.

Titan Mission:

To create wealth for all the stakeholders by building highly successful businesses based on a customer-centric approach, and to contribute to the community.

Titan Values and Standards:

Total customer orientation - Customers take precedence over all else, always.

Employee appreciation – Titan values and respects Titanians and endeavour to fulfil their needs and aspirations.

Performance culture and teamwork - At Titan Industries, high performance is but a way of life and is nurtured by teamwork.

Creativity and Innovation - Driven by innovation and creativity,
the company focuses on smarter approaches and newer technologies.

**Passion for excellence** - In all its pursuits, the company ceaselessly strives for excellence.

**Corporate Citizenship** – The company ensures that a part of its resources is invested in environment and community betterment.

**TATA CODE OF CONDUCT**

The values and principles which have governed the manner in which the TATA Group of companies and their employees have conducted themselves were first formally articulated as the Tata Code of Conduct in 1998 and revised in 2008 to cover the global context. This code was intended to serve as a guide to each employee on the values, ethics and business principles expected of him or her in personal and professional conduct.\(^3\)

**CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS**

Non-Executive Directors of the Company should always act in the interest of the Company. They are to ensure that any other business or personal associations that they have do not, in any way, involve conflicts of interest with Company operations and the roles they play. Non-Executive Directors are required to comply with:

\\(^3\) www.tata.com
with all applicable laws and regulations enforced by all relevant regulatory and other authorities, as may be applicable to such Directors, in their individual capacities. All Non-Executive Directors shall, at all times, safeguard the confidentiality of the information received by them, by virtue of their office.

4.3 Management and Products of Titan Industries

The management of Titan Industries Limited is vested in professionals having high level qualifications and vast experience with backup of Tata culture. The present Board of Directors of the company comprises of:

M. F. Farooqui (Chairman)
Bhaskar Bhat (Managing Director)
Anita Praveen
V. Parthasarathy
Ishaat Hussain
N. N. Tata
T. K. Balaji
C. G. Krishnadas Nair
Nihal Kaviratne, CBE
Vinita Bali
Hema Ravichandar
R. Poornalingam

**Brief Description of Senior Management of Titan Industries:**

**Mr Bhaskar Bhat, Managing Director:**

Mr Bhaskar Bhat assumed the position of Managing Director of Titan Industries on 1st April 2002. He is a B.Tech (Mechanical Engineering) degree holder of IIT, Madras, and a post graduate diploma holder in Management from IIM, Ahmedabad. Most of Bhaskar’s working experience has been in Sales & Marketing. Having started his career as a management trainee with Godrej & Boyce Manufacturing Co. Limited. In 1983 he moved on after 5 years, and joined the Tata Watch Project initiated at Tata Press Ltd.⁴

Since 1983, Bhaskar has been associated with the Tata Watch Project – later to become Titan Watches Ltd., and now Titan Industries Ltd. At Titan Industries Limited, Mr Bhaskar dealt with Sales & Marketing, Human Resources Management, International Business and various general managerial assignments. Mr Bhaskar is a member of the Governing Council at the T.A. Pai Management Institute, Manipal and the SDM Institute of

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⁴ [www.titanindustries.co.in](http://www.titanindustries.co.in)
Management and Development, Mysore. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008.

**Mr K F Kapadia, Chief Financial Officer**

Kapadia, currently the Chief Financial Officer of Titan Industries, is a B.A. graduate and post graduate diploma holder in Finance Management. He has 34 years of work experience in various senior portfolios and prior to his posting to Titan, he was with Tata Press, Mumbai.

**Mr Harish Bhat, COO - Time Products Division**

Harish the COO, Time Products Division, Titan Industries, leads the watches business of Titan. Earlier, Harish was COO of the Jewellery Division. Harish is a member of the Tata Administrative Service (T.A.S.). During his tenure with the Tata group, he held several senior portfolios. Harish is an alumnus of BITS Pilani and IIM Ahmedabad, and has to his credit the IIM Ahmedabad Gold Medal for Scholastic Excellence (1997), and the Chevening Scholarship for Young Managers, awarded by the British Government. He is currently Secretary General of the All India Federation of Horological Industries.

**Mr C K Venkataraman, COO - Jewellery Division**

Mr Venkataraman has headed the Jewellery Division since January 2005. He is a post graduate diploma holder in
Management from IIM Ahmedabad. Mr Venkataraman joined Titan Industries in 1990, and worked in the Advertising and Marketing functions before becoming the Head of Sales & Marketing for the Titan brand in 2003.

Mr S Ravi Kant, COO - Eyewear Division & Sr. Vice President (Corporate Communications)

Mr Ravi joined Titan in 1988 in Marketing Division. He holds Masters in Business Management from FMS, Delhi. He soon moved to Retailing and Exports and headed the initiation of the watch assembly plant in Dehradun. Between 1995 and 2005 Mr Ravi headed the Middle East and African operations as MD of Titan International (ME). He subsequently headed the International Business Division of Titan Industries, Bangalore, managing performance of both businesses – watches and jewellery in more than 30 countries. Currently Mr Ravi pursues excellence in everything to do with the eyewear industry, as COO of the Eyewear Division.

Mr M S Shantharam, Senior Vice President - Occupational, Health and Safety initiative

Mr Shantharam currently provides a wealth of overall strategic guidance on Titan’s Watch Manufacturing operations. With a Bachelor of Engineering in 1970, and 38 years of experience in precision engineering and precious metal manufacture, he joined Titan Industries in 1985. In his first 8-year stint with Titan he
planned and executed projects related to quartz watch manufacturing. The next 7 years saw him planning, executing and managing the precious jewellery manufacturing plant and overseeing the Titan Township project. Mr Shantharam subsequently assumed responsibilities for the production, materials management & planning operations of the watch manufacturing plants at Hosur, Dehradun, Baddi & Roorkee.

Mr M S Shantharam now will be responsible for the effective implementation of the important Occupational Health and Safety initiative launched by the Company called OHSAS (Occupational Health and Safety Assessment Scheme).

**Mr B G Dwarakanath, COO - Precision Engineering Division**

Mr Dwarakanath is a Mechanical Engineer. He joined Titan Industries at its inception in 1985. He currently heads the Precision Engineering Division and is also an Operating Director of the Titan Time Products Division, Goa, engaged in the manufacture of electronic circuit boards. He has a wealth of knowledge and experience and has played a crucial role in the development of the world’s thinnest watch ‘EDGE’ (3mm with a mechanism thickness of 1.15mm only) which lead to several awards, including the Marico Innovation Foundation Award – “Innovation for India Awards 2008”.
Mr Kailasanathan N, COO – Precision Engineering Division

Mr Kailasanathan, Sr. Vice President - Titan Industries Limited, graduated in Statistics from the University of Bombay and subsequently attained several other scholarly achievements. He was responsible for IT Functions, Ethics, Business Excellence and Knowledge Management, Corporate Communications, Corporate Sustainability and is the Managing Trustee of the Titan School. Mr Kailasanathan has vast experience in the IT field, and has been involved in several ERP implementations. He is currently the COO of Precision Engineering Division.

Mr H G Raghunath, Chief Manufacturing Officer, Watches

Mr Raghunath, Vice President – Integrated Supply Chain & Manufacturing, Time Products Division has been involved in the watch industry for over 28 years. He joined Titan Industries in June of 1986, and helped set up and establish the After-Sales Service network both, in India and overseas. He has been involved in the customer-service function for 17 years and since 2003 in ISCM. He holds degrees in Science and Engineering (Electronics & Communication) and is a coveted speaker on SCM in many forums.
Mr S. Ramadoss, Chief Human Resources Officer

Mr Ramadoss joined Titan Industries in 1997 and is presently the Vice President - Human Resources & Administration. With an impressive portfolio and a career spanning 35 years, he is a Law Graduate and did his P.G. in Personnel Management and Industrial Relations. Mr Ramadoss is a faculty member in various educational institutions in Bangalore, Chennai & Mumbai. He has been the President of HRD Network, Hosur Chapter for 5 years, Member of ISTD, National Council, and is a Member of the CII, IR & HR Panel.

Mr C. Srinivasan, Vice President - Sonata, Institutional Sales & Customer Service

Mr Srinivasan is a Management Graduate from IIM, Ahmedabad. For the past 10 years he has been heading the Sonata Business unit, responsible for the Sonata, Institutional, Armed Forces and the Customer Service businesses, and played a major role in the setting up and nurturing of the sales infrastructure for the watch business.

Mr Ronnie Talati, Vice President and Business Head – Fastrack & New Brands

Mr Ronnie is a B.Com LLB from the Bombay University. He is a sports and fitness enthusiast and joined Tata Press in 1976. Ten years later, with Titan Industries, Ronnie as GM Finance was
largely responsible for setting up the Finance Department. In 2005, he headed the new business unit to target youth, thus ‘Fastrack’ came into existence, he is also responsible for the Large Format Store retail chain for all company products.

**Mr L R Natarajan, Chief Manufacturing Officer, Jewellery**

Mr Natarajan is an Automobile Engineer from the Madras Institute of Technology. He has been with Titan Industries since 2003. He has around 25 years of experience in various capacities. His innovative concepts were also instrumental in securing National and International acclaim for Supply Chain and Goldplus. He has been instrumental in setting up the Innovation School of Management, which is a driving innovative project in Jewellery division.

**Mr V Govindraj, Vice President - Integrated Retail Services**

Mr Govindraj is a MBA graduate from the School of Management Studies, Cochin. He joined Titan Watches as Distribution Manager for distribution and setting up the C&F network. Down the line he headed the Retail & Marketing team in Tanishq in 2000. As a key member of the team, he led Tanishq’s dramatic growth. Presently he heads the Integrated Retail Services function and is responsible for Business Development, Projects and Retail Training across the Watches, Jewellery & Eyewear Divisions.
Mr Sandeep Kulhalli, Vice President - Retail & Marketing, Tanishq

Mr Sandeep, currently Vice President - Retail & Marketing, Tanishq, is a B.Sc. (Chemistry) from Fergusson College, Pune. He joined Titan Industries Ltd in 1988 as Area Sales Manager and handled Sales Operations in MP and Vidharbha. Later becoming Area Sales Manager, West Bengal and North East. With the launch of Timex he moved north as Regional Manager in 1994.

Mr Ajoy Chawla, Vice President and Global Business Head - Titan & Retail

Mr Ajoy is a Mechanical Engineer from VJTI – Mumbai and a post graduate from IIM Calcutta. He joined the Tata Administrative Services in 1990 and has been with Titan Industries since 1991. He has over 20 years experience with Titan Industries, across geographies and businesses, covering Sales, Distribution, Retail and Business. He has held many senior portfolios in the company’s business and now is the Vice President & Global Business Head, Titan & Retail.

Products of Titan

Titan Industries, best known as India’s pioneering manufacturer of quartz watches, has also etched a niche for itself in some of the most competitive spaces in the fashion industry such as jewellery
and eyewear. Precision engineering is another area of specialization that Titan Industries is proud of.

**Watches:** Being the world's fifth largest integrated watch manufacturer, Titan Industries has created and sold more than a 100 million pieces the world over. With a production rate of over 11 million watches per annum and a customer base of over 100 million, Titan Industries owns manufacturing and assembly operation centres in Hosur in Karnataka, Dehradun, Roorkee, and Baddi in Himachal Pradesh, and an Electronic Circuit Boards (ECB) plant in Goa.

Capturing the important market segments and the changing fashion trends, Titan Industries has brought forth four core watch brands:

- Titan is designed for the mid-premium segment.
- Fastrack is crafted to fit the trendy fashion space with a focus on the youth.
- Sonata is created for the mass market and has emerged as India's largest selling watch brand.
- Xylys is fashioned for the premium market, aiming at the high-end connoisseur and new-age achiever.

The Titan brand architecture comprises several sub-brands, each of which is a market leader in own space. Notable among them are: Titan Edge, Titan Raga, Nebula, Heritage and several other collections like WWF, Zoop, Heritage, Orion and the Automatic
series. The Titan portfolio owns over 60% of the domestic market share in the organized watch market.

Titan Industries’ pride possession, a world-class design studio for watches and accessories, is the place where some of the most coveted creations have been conceptualized.

Exclusive World of Titan and Fastrack showrooms and over 12,000 outlets in more than 2,554 cities in India make these much-sought-after watches available to the buyers. The watches are also offered internationally in over 30 countries, with a special focus on the Middle East and Asia Pacific regions. The after-sales service, a benchmarked operation with a large network of exclusive service centres spread across the country, is one of the operation units with the fastest turnaround time in the world.

**Jewellery:** Following the suit of time products, Titan Industries’ Tanishq has been India’s largest, fastest growing and most popular jewellery brand. Tanishq offers a premium range of innovatively created gold jewellery with an aesthetic use of diamonds and precious, semi-precious stones in various hues. Arresting designs in 22kt pure gold as well as platinum are among the most admired products on the company’s list.

**GoldPlus:** the recent retail plain gold jewellery offering, is specifically created for semi urban and rural Indian market. The brand offers gold jewellery, as well as unique designs crafted with
diamonds, American diamonds and other precious stones. Titan Industries boats of 115 Tanishq boutiques, 2 Zoya stores and 30 Gold Plus stores in India. The enchanting jewellery patterns that are part of these brands originate in the well-equipped exclusive jewellery design studio of Titan Industries.

**Eye wear**: Titan Eye+ of Titan Industries offers sunglasses under its Fastrack brand. Prescription eyewear such as lenses and contact lenses is also part of the range. Titan Eye+ offers frames, sunglasses, and accessories of Titan Industries' in-house brands as well as other premium brands.

**Precision Engineering**: The Precision Engineering division of Titan Industries supplies precision components to the aviation and the automotive industry. As an Original Equipment Manufacturer (OEM), the company makes dashboard clocks for car manufacturers in Europe and America. Equipped with best certifications such as AS 9100B for the aerospace segment, TS 16949 for the automotive segment and the coveted Ford Q1 status - the highest supplier recognition from Ford – Titan Industries also offers fully integrated automation solutions.

**PERFORMANCE OVERVIEW**

In a difficult year threatened by slowdown in several sectors, Titan Industries continued its spree of improved performance year after year, achieving significant growth in sales and profits. For the year
2008-09, sales income grew to Rs.3,847.72 crores increasing by 26.5% from Rs.3,041.09 crores. Profit before taxes grew by 14% to Rs.230.56 crores from Rs.202.30 crores during the previous year. Net profit for the year stood at Rs.158.96 crores as compared to Rs.150.27 crores in the previous year. Watch segment sales grew by 3.6% to Rs.908.49 crores, while Jewellery sales went up by 36.3% to Rs.2,763.20 crores. Sales of other products, including Eyewear, Accessories and Precision Engineering components, rose by 48.8% to Rs.136.29 crores.\(^5\)

Company-wide and Division-wise figures are illustrated below:

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The watches division scored a turnover of Rs.946 crore as against Rs.918 crore during previous year.

The jewellery division recorded an impressive growth to Rs.2761 crore as against Rs.2027 crore during previous year:
The precision engineering and other products division also recorded an impressive increase to Rs.141 crore from Rs.96 crore during previous year:

![Bar chart showing income for Other Products in 2007-08 and 2008-09](chart.png)

The Company after a well thought-out plan entered the US Jewellery market with the opening of two Tanishq Stores, one each at Chicago and New Jersey in financial year 2008-09. But due to the adverse effect of severe economic slow down in USA, which resulted in poor customer sentiments, the expected sales did not materialise. The Company, in order to curtail and minimize cash losses, closed down these stores after considered evaluation of store economics resulting in a charge of Rs.29.02 crores to the Profit and Loss Account.
The Company’s fledgling Prescription Eyewear Division which is in the process of establishing a national network of world class optical stores, incurred a loss of Rs.32.69 crores, in its first full year of operations.

The year saw the largest expansion in the retail network adding 135 new stores (1,78,235 sq.ft.) across watches, jewellery and eyewear businesses. As on March 31, 2009, the Company has a total of 487 stores (6,03,686 sq.ft.) delivering a retail turnover of Rs.3300 crores annually.\(^6\)

**International Operations**

The Company achieved an export turnover of Rs.130 crores during the year. Exports include sale of Watches, Jewellery and Precision

engineered components. The international markets presented a mixed picture, with some countries displaying good growth but some others such as Dubai and Singapore witnessing strong contraction in demand. While the Watch sales grew by 10%, Jewellery sales were down by 42%, primarily due to the decision of the Company to reduce jewellery exports, on account of the lower margins.

4.4 Management of Change at Titan

Change Management can be defined as the controlled transformation of an organization from its current operational state to a future operational state. There are currently at least two schools of thought on Change and Change Management. The first school of thought is based on Lewin’s Three Stage Model. The Three Stage Model uses the concept of Unfreeze, Change, Refreeze, which basically has the organization moving from stability (unfreeze from status quo) through change back to stability (new status quo).

The second school of thought, as articulated, in Herding Cats: Human Change Management and An Improvisational Model of Change Management, sees Change Management as an ongoing process not a temporary state. In this school of thought the desired future state is not a state, instead it is a stage in the ongoing evolution of the Organization. Organizations need to stop viewing change as a project with a distinct beginning, middle and end as
exemplified by the Three Stage Model. Instead of Refreezing and ending the change initiative, organizations need develop structured change management as an ongoing operational process. This allows the organization to continuously adapt to the internal and external changes it faces.

Change is a process that is followed when any change is made to the process that is followed in any business environment. A simple change in the process might affect the other processes in other departments. However not all departments will be aware of the change that was made. To ensure that the change made to the process is known to all the departments in the organization, the change management process is followed.

Consider that there is a change or a feature is added to the software used in the business process and this change in the feature will be done immediately. A process has to be followed to effect that change. Once the decision to change a feature is made, it is informed to all the departments that are using that software. The impact of the change on the departments using that software is studied and intimated to the respective departments. The quality team might be testing that feature and once it has been approved it will go live.

At Titan Industries Limited, proper documentation is made for the change management. Once it is initiated a document stating the purpose and the steps to be accomplished to complete the task
are given in written. This document is circulated among the departments and proper approval is got. The impact of the change in the feature is studied carefully by the respective departments and then only the approval is given. If any of the impact in their department is not addressed, they might raise the issue with the concerned change management team to get it included in the documentation. Finally the top management also has to give its nod for the change to be effected in the process. With the change management in place the changes made are known to each department and it is sure to improve the business process. Few of the features and impacts of management of change at Titan Industries are reflected below.

CELEBRATING TITAN

After two decades of building relationships with customers, and learning from all the successes and failures that came in its way, it is time to pause, reflect and celebrate. It is time to honour the indispensable role of its people, business associates and suppliers, who have enriched the fabric of Titan Industries, as is known today. The company is proud to have withstood the test of time and maintained dedication to the values upon which Titan Industries was founded.

People are at the heart of success
Over the years, Titan Industries have built operations, nationwide and worldwide, leveraging the expertise of its most talented,
dedicated and hardworking people with the vision, integrity, innovation and leadership qualities that the business demands. Titan Industries have constantly invested in training, incentives and career progression across all its business units and have one of the highest employee retention records. The company has instituted initiatives such as ‘Face of Titan’, ‘Tanishq Superstar’, ‘Look for Stars’ and ‘Titan Visionary’ to acclaim and commend deserving managers, store officers, cashiers and technicians. For over two decades, core values of commitment to safety, health and environment, high ethical standards and respect for people have been the cornerstone of Titan’s identity.

**Innovation is a way of thinking at Titan Industries**

Titan Industries began its operations with an innovative offering - quartz watches - that changed the face of the Indian watch industry. Innovative ideas at Titan Industries have led to significant achievements such as Single Point Solutions to every Original Equipment Manufacturer customer. Titan Edge, world's slimmest watch, is probably the best example of the spirit of innovation in the organization – a feat achieved in less than five years of its existence.

To facilitate innovation, the company opt for external expertise from leading consultants like McKinsey, Quadra and Interbrand. The company use cutting-edge business excellence tools such as Tata Business Excellence model based on the Malcolm Baldrige...
Criteria for Excellence, total quality management, 360-degree feedback process and benchmarking. The contemporary store designs of the company are a great example of innovation. They have redefined the retailing standards in India since the time when the concept of modern retailing had not evolved. The Jewellery Division changed the dynamics of gold market by introducing the Karameter, an industry first in checking the purity of gold through a non-destructive test.

**Relationships are a sacred bond of trust for us**

The Titan Industries have built relationships and forged lasting bonds with our customers, employees, shareholders, network of business associates, and suppliers. With its futuristic designs, the company created a desire in the minds of customers and offered them accessories for every occasion. In a small way, Titan has been a part of all their celebrations. ‘Customer First’ - an initiative driven by the company is an embodiment of the customer-focused culture that it imbibed from the very beginning. The company continue to foster greater customer commitment by making our product lines more comprehensive.

**Growth depicts many milestones**

The company has been able to remain the undisputed leader in the market. Taking the prognosis of brand fatigue seriously, it reinvented itself with the impeccably styled Euro watches
collection. Triumphs like this were interspersed with tribulations that spurred us to accept new challenges and overcome them with a resolve and commitment. With over 500 showrooms and 12,000 co-branded showrooms, Titan is the largest retail network in India.

“At Titan Industries, the celebration never ends.”

WHISTLE BLOWER POLICY – A TOOL OF MANAGEMENT OF CHANGE AT TITAN INDUSTRIES

1. Preface

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Tata Code of Conduct (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

"25. Reporting Concerns: Every employee of a Tata Company shall promptly report to the management any actual or possible
violation of the Code or an event he becomes aware of that could affect the business or reputation of his or any other Tata Company."

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been recently amended which, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief Ethics Officer / Chairman of the Audit Committee of the Company.

2. **Definitions:**

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement with the Stock Exchanges. "Employee" means every employee of the Company (whether working in India or abroad),
including the Directors in the employment of the Company. "Code" means the Tata Code of Conduct. "Investigators" mean those persons authorised, appointed, consulted or approached by the Chief Ethics Officer/Chairman of the Audit Committee and includes the auditors of the Company and the police. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation. "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

3. **Scope:**

This Policy is an extension of the Tata Code of Conduct. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chief Ethics Officer or the Chairman of the Audit Committee or the Investigators. The Chief Ethics Officer or the Chairman of the Audit Committee will appropriately deal with protected Disclosure, as the case may be.
4. **Eligibility:**

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other Tata Company.

5. **Disqualifications:**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a malafide intention. Whistle Blowers, who make three Protected Disclosures, which have been all subsequently found to be malafide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. **Procedure:**

All Protected Disclosures concerning financial/accounting matters
should be addressed to the Chairman of the Audit Committee of the Company for investigation. In respect of all other Protected Disclosures, those concerning the Chief Ethics Officer and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Chief Ethics Officer of the Company.

If any executive of the Company other than Chairman of Audit Committee or the Chief Ethics Officer receives a protected disclosure, the same should be forwarded to the Company’s Chief Ethics Officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. The Protected Disclosure should be forwarded under a covering letter, which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Chief Ethics Officer, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure. The Whistle
Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained, as it would not be possible for it to interview the Whistle Blowers.

7. **Investigation:**

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chief Ethics Officer / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. The Chief Ethics Officer / Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.

The decision to conduct an investigation taken by the Chief Ethics Officer / Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation. Subjects shall have a duty to co-
operate with the Chief Ethics Officer / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. Subjects have a right to consult with a person or persons of their choice, other than the Chief Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.
8. **Protection:**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Chief Ethics Officer / Chairman of the
Audit Committee. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. **Investigators:**
Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief Ethics Officer / Audit Committee when acting within the course and scope of their investigation. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

Investigations will be launched only after a preliminary review which establishes that: the alleged act constitutes an improper or unethical activity or conduct, and either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. **Decision:**
If an investigation leads the Chief Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chief Ethics Officer / Chairman of the Audit
Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chief Ethics Officer / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. **Reporting:**

The Chief Ethics Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. **Retention of documents**

The Company shall retain all Protected Disclosures in writing or documented along with the results of investigation relating thereto for a minimum period of seven years.

13. **Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be
binding on the Employees unless the same is notified to the Employees in writing.

4.5 Titan’s Present Position and Future Plans

Over the years, Titan Industries has received several prestigious awards and distinctions. Some of the recent and most noteworthy recognitions are:

- Titan Industries received the Award for the Most Admired Timewear Brand of the Year in 2009 for the ninth successive year for Titan, and the Most Admired Jewellery Brand of the Year for the seventh consecutive year for Tanishq.

- Goldplus bags 2 dragons and 2 certificate of merits at the Promotion marketing awards of Asia 2009.

- Jewellery Division was declared the winner of the “GOLD AWARD” in FMCG sector in the GreenTech Environment Excellence Award 2009.

- Jewellery Division wins first prize in “Innovation in Supply Chain Management” organized by Indian Institute of Material Management for the second consecutive year and ranked
amongst the top five amongst 50 global entries at Europen Business School, Weisbaden Germany.

- Titan brand won the “Most Valuable Brand in the State” award at the IIPM & The Sunday Times STATE EXCELLENCE AWARD.

- Both Titan and Sonata feature in the Top 100 Brands-2009 in the Annual Survey conducted by Economic Times. While Titan is ranked at Number 4, Sonata increase their rank to 86. Titan is ranked number 1 in the consumer durables category.

- Jewellery Division of Titan Industries Limited won the Eight Annual Madras Management Association award on Managerial Excellence for Manufacturing sector.

- Titan Industries bagged 24th position across all industry categories and 1st position in the Retail Industry category in the Economic Times – Great Place to Work Institute study. The survey results show that 88% employees across Titan Industries feel that Titan is a Great Place to work!

At present Titan Industries has achieved a very prestigious place in its field of working. The company enjoys high brand image in the market. Brief description of present position of each division of the company is described in the paragraphs to follow.
TIME PRODUCTS DIVISION

The Time Products division is where the Titan story began. Today, this division has placed Titan Industries among the world’s largest retail networks and earned the company the place of fifth largest integrated watch manufacturer in the world. With over 2350 employees spread over 3 business units in Bangalore, India, a manufacturing unit at Hosur and 3 assembly plants located in the north of India, the division continues to add world-class brands to the company’s portfolio.⁷

Outstanding brands

Our customers have been at the core of this growth and the division offers a slew of products that cater to their inherent needs. Some of the most notable brands in the division’s portfolio are:

**Titan Edge** - the world’s slimmest watch (at 3.45mm) that epitomizes the philosophy ‘less is more’.

**Titan Raga** - a feminine and opulent accessory for today's affluent woman.

**Nebula** - watches crafted with solid 18k gold and precious stones.

**Sonata** - India's largest selling watch brand to suite the common man's wallet.

Xylys - a Swiss-made, impeccably designed watch for the connoisseur and new age achiever.

Fastrack – watches created to accessorise the trendy youth of today.

The watch division also boasts of collections such as Automatic, Heritage, Nebula, Orion, Raga, Zoop and series like Aviator, Octane and WWF. The brand Titan enjoys a 60% market share in the organised watch market in India.

Retail

The time product division also markets some well-known international brands such as Tommy Hilfiger and Hugo Boss, under a licensed agreement, giving the new generation of customers an access to premium brands with their well-equipped retail chain.

The division has sold over a million watches through the unique retail format of 'World of Titan' - where both in-house brands & licensed brands are offered - and through a vast network of dealers and lifestyle stores in India and in 30 countries worldwide. The division offers after-sales service network that has been considered a benchmarked operation in the industry. The division constantly endeavours to understand and predict the customers’ needs and strives to launch newer and trendier products regularly.
Helios the store is another feather in the division’s cap. These stores are specially designed for the upscale, well-travelled connoisseur with a discerning taste in watches and a highly brand conscious outlook.

Spread over a spacious area of 2650 sq ft, the high-end multi-brand watch store houses more than 2200 watches and over 35 premium international watch brands including Versace, Seiko, Movado, Hugo Boss, Citizen, Fossil, Titan, Xylys, DKNY, Roberto Cavalli, Esprit, Tommy Hilfiger, Raymond Weil, Baume & Mercier, and Victorinox, among others.  

**JEWELLERY DIVISION**

Tanishq Titan’s flagship line of jewellery is today a resounding success with discerning customers. Tanishq has performed exceedingly well and has set standards, in what could best be described as a largely unorganised and unscrupulous jewellery market.

The growth of the brand has once again been a testament to our customer focus. Tanishq is today a hallmark of trust, an island of purity. It is a certified division under the ISO 9001:2000 Quality Management System Standards. Established to addresses the urban market, its growth has transformed Titan into the largest  

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8 Titan Newsletter
integrated jewellery manufacturer and outsourcing company of India.

Tanishq is India’s fastest growing jewellery brand with a premium range of jewellery, studded with diamonds or coloured gems in 18-karat gold, 22-karat pure gold and platinum jewellery. We are now one of India’s largest speciality retailers and are transforming India’s jewellery market with a Pan-India presence. Titan felt a need and created a means to offer elegant gold jewellery to smaller towns and rural markets. The recent launch of a retail initiative - GoldPlus caters to the need.

Both brands contributed to over Rs.450 million USD, and are still flourishing. Truly a phenomenon in itself, Tanishq is our pioneering Indian brand storming a market of over 300,000 independent jewelers. The brand is evolving faster than the market and is either leading or closing gaps between competitors in urban markets where we have a presence.

The trust connotations that the Tata -Titan association evokes, never fails to attract increasing numbers of jewellery seekers to the fledgling designer brand. Titan ensures that they are spoilt for choice, transparency and a great shopping experience with Tanishq, the jewel of its crown. Tanishq is a trustworthy, popular jewellery brand from India’s largest integrated jewellery manufacturer.
Zoya, by Tanishq is a chain of luxury jewellery boutiques which targets elite, discerning ladies seeking designer wear of international standards. Zoya is a best-in-class shopping experience. Stores offer exquisite, artistically styled masterpieces, studded in diamonds, apart from traditional, fusion polki and kundan jewellery. There are magnificent designs to choose from, all in ultra-premium luxury, these outlets showcase luxury unsurpassed. Zoya creations are world-class in terms of quality and have been crafted in India and abroad. It boasts the finest quality in India and is on par with the best in the world. Zoya stores are located in GK I, M Block - Delhi and Warden Road - Mumbai.\textsuperscript{9}

**EYEWEAR DIVISION**

Titan Eye+, the third major venture of consumer business by Titan Industries, launched into the eyewear segment in March 2007. This initiative was to re-define eyewear and fortify the industry with quality standards, unparalleled in the history of India’s eye-care industry. Titan Eye+ provides an impressive range of stylish and contemporary eyewear, through exclusive optical outlets. Currently, Titan Eye+ boasts 70 stores across 41 cities. Titan Eye+ heralded standardisation by benchmarking with the world’s best, in sync with the TATA principles of quality and trust. Sales counters now offer products and services of international quality standards coupled with transparency in pricing, style, and upbeat designs.

\textsuperscript{9}Titan Newsletter.
Given the importance of vision to quality of life, Titan Industries foresaw the need to venture into the realm of optometry and establish a presence in clinical optical expertise. First steps were a technical collaboration, under which Sankara Netharalaya ably trained its clinical and retail staff. Titan Eye+ stores are now staffed with professional optometrists who deal with every eye-care requirement – be it a need for prescription eyeglasses for distance or nearsightedness, reading, vision correction, contact lenses or eye protection. Titan Eye+ stores are equipped to fill prescriptions for single vision lenses, progressive no line or bifocal lenses.

**INTERNATIONAL BRANDS**

Titan Eye+ stocks a selection of fashion and prescription frames as well as sunglasses from internationally renowned apparel brands such as Esprit, Tommy Hilfiger, Hugo Boss, Versace and Armani. The Titan Eye+ stores also offer high-end lifestyle brands such as Mont Blanc, Swarovski and Bulgari all of which cater to the premium segment of Titan’s clientele.

These international brands enhance every look, be it trendy, sporty, casual or formal. With prices ranging between Rs.3,000 and Rs.30,000, the brands suit every wallet. New offerings from the brands mirror the international fashion seasons, with collection launches coinciding with the Spring-Summer and Autumn-Winter sequences.
PRECISION ENGINEERING DIVISION

Leveraging precision engineering core competencies from watch making, Titan initiated a PRECISION ENGINEERING DIVISION in 2002, catering to global majors across industry verticals like aerospace, automotive, oil & gas, engineering, hydraulics, solar and medical instruments. With an investment of over $10 million, the setup has four main business units:

- Precision Engineering Components & Sub-Assemblies (PECSA).
- Machine Building & Automation Solutions
- Tooling Solutions
- Electronic sub-assemblies

Precision Engineering Division is ISO 9001:2000 and ISO 14001:2004 certified. Additionally the unit catering to Aerospace segment is AS 9100B certified and the unit catering to automotive segment is TS 16949 certified. The Division has demonstrated consistent quality and delivery performance through several customer accolades like the ford Q1 award and the Continuous improvement award received from the CEO of UTC, Louis Chenevert.

Depicting a significant and progressive growth drive, listed below are some of the Division’s top customers:

10 Source: www.titan.co.in
Chapter-4: Backdrop of Titan

3M Arvin Meritor Behr Bosch
Delphi Delphi-TVS Endurance GKN Driveline
Honeywell IFB Knorr Bremse Lucas-Tvs
Rico Auto Siemens Sona Koyo Tata Auto Components
Timken Umesh Pencils Valeo Minda ISRO
ADA Stanadyne Tata Motors Visteon
Legrand Turbo Energy L & T HAL
Aston Martin (UK) Goodrich (USA)
Eaton (USA) Ford (USA)
BCR Plastics (Switzerland)

SUBSIDIARIES

Titan Time Products Limited

Titan Time Products (a 100% subsidiary of Titan Industries) specialises in manufacture of electronic-board assemblies for industries such as automotive, industrial electronics, telecommunication, consumer goods, medical, and defence. The state-of-art manufacturing facility, located at Verna, Goa, supports 150 people and boasts of a clean-room facility matching a class 10000.\textsuperscript{11}

\textsuperscript{11} Annual Report, 2008-09
Titan Time Products’ capabilities include Surface Mount Technology for fine-pitch assemblies, Ball Grid Array placements, Chip-on-board Assemblies/ Wire bonding, and Through-hole Assemblies. The testing facilities we offer include In-circuit testers, Automatic Online Inspection equipment (AOI), Solder-thickness measuring systems, and various other functional test set-ups. Titan Time Products’ quality systems are accredited to ISO 9000 and TS 16949 standards and all processes are Restriction on Hazardous Substances compliant.

This centre is seamlessly aligned with the group facilities in Bangalore and Hosur, providing customers box-build capabilities with plastics and sheet-metal integration. The company enjoy an elaborate network of component suppliers and manufacturers in India and abroad, and have sourcing set-up in Hong Kong and the UK. Titan Time Products’ value chain processes run on SAP, and the manufacturing systems are calibrated to process multiple products simultaneously, with batches varying from Proto lots to larger volumes.

The impressive array of awards bestowed on the company, such as the Award for Excellence in Total Productive Maintenance, the IMEA – Frost & Sullivan Award, the CII Excellence Award and the ELCINA – Dun & Bradstreet Award are confidently illustrative of Titan Time products’ strong and world-class manufacturing practices.
BUSINESS OPPORTUNITIES AND FUTURE OUTLOOK

Titan constantly provides opportunities for enterprising business people to collaborate with it as franchisee of the World of Titan, Tanishq, Goldplus, Fastrack and Titan Eye+ stores and also to be a local or international distributor for its world class products, or as a vendor for raw materials.

The year 2008-09 was marked by fluctuating fortunes, with excellent performance by the Company during the first half of the year, followed by somewhat lukewarm performance in the second half due to the economic slow down, sharp rise in the gold prices and a planned down stocking of Sonata watches in the distribution pipeline. Despite a challenging market place, the watches business will pursue profitable growth through investment in brands, sensible expansion of retail net work, product innovation, making Titan a premium brand with higher price points and transformation of Sonata business model.

The Jewellery Division will continue its growth path, through various initiatives including launching of new collections, setting up of large format stores, focus on markets/segments/groups of customers less affected by the economic slow down, improving the walk-ins, and improving the merchandising at the stores.
As regards international business, the Company will pursue profitable growth in Asian markets where the Company is already present, and focus on becoming market leaders in few of the Asian markets. The Precision Engineering Division of the Company, besides aiming to grow the top line despite the economic slowdown, will utilize the opportunity to strengthen its key processes with Lean manufacturing techniques and seek opportunities for moving up the value chain. The Automation Division will work on design standardization, efficient project management and lead time reduction.

The Company’s new business vertical, Eyewear which was launched in March 2007 under the brand name Titan Eye + will be consolidating its operations during the years to come, based on the experience gained during the first full year of commercial operations. Overall, the future years will require skilful navigation around realistic growths, strict management of costs, seizing the available opportunities amidst the slow down, keeping the employees focused and motivated in these challenging times, and strong innovative marketing initiatives to drive demand.