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Report on recommendations of the Audit Committee on the Draft Scheme of Arrangement ('Scheme') slump sale of the Precision Engineering Business Undertaking ('PEB Undertaking') of Titan Company Limited ('Transferor Company') into Titan Engineering & Automation Limited ('Transferee Company').

The Company has placed before the Audit Committee, the Draft Scheme of Arrangement between Titan Company Limited ("Transferor Company") and Titan Engineering & Automation Limited ("Transferee Company") and their respective shareholders, for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/05/2013 dated February 4, 2013 read with Para 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Circulars").

In view to comply with the said Circular, members of the Audit Committee discussed and recommend the Draft Scheme after considering the following documents:

- a. Scheme of Arrangement ("Scheme");
- b. Fairness Opinion Dated 5th May 2015 issued by Saffron Capital Advisors Private Limited, on the Share Entitlement Ratio.

Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:

1	Date	6 th May 2015
2	Name of the Transferor Company	Titan Company Limited
3	Name of the Transferee Company	Titan Engineering & Automation Limited
4	Salient Features of the Scheme	<ul style="list-style-type: none"> - The scheme provides for the transfer and vesting of Precision Engineering Business Unit (as defined under the scheme) of the company to Titan Engineering & Automation Limited ; - The Appointed Date 1st April 2015; - Upon the scheme becoming effective, the consideration for transfer and vesting of PEB undertaking to Titan Engineering & Automation Limited shall not exceed INR 170 Crores (Rupees One hundred and seventy Crores) to the Company;
5	Name of the Chartered Accountant / Auditor	Deloitte Haskins & Sells
6	Details of Audit Committee	The composition of the Audit Committee, is as follows: Dr. C.G. Krishnadas Nair, Chairman Mr. T.K. Balaji Mr. T.K. Arun Mrs. Ireena Vittal Ms. Vinita Bali
7	Recommendation of the Audit Committee	The audit committee recommends the scheme for the favorable consideration by the stock exchange and SEBI.

K. Nair



Titan Company Limited
(formerly Titan Industries Limited)

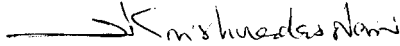
Registered Office: SIPCOT Industrial Complex, Hosur 635 126 TN India Tel 91 4344 664 199 Fax 91 4344 276037. CIN: L74999TZ1984PLC001456
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The audit committee also noted that valuation report is not applicable since transfer of business to a wholly owned subsidiary, and thus, there shall be **no change in shareholding pattern** of the Company and the Transferee Company pursuant to the scheme.

For and on behalf of Audit Committee of Titan Company Limited



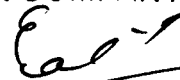
Chairman: Dr. C.G. Krishnadas Nair

Date: 6th May, 2015

Place: Bangalore



**CERTIFIED TRUE COPY
For TITAN COMPANY LIMITED**



**A.R. RAJARAM
HEAD-LEGAL & COMPANY SECRETARY**

Titan Company Limited
(formerly Titan Industries Limited)

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