

TITAN TIMEPRODUCTS LIMITED

TWENTYSECOND ANNUAL REPORT 2012-13

Directors

Dr. C G Krishnadas Nair, Chairman
Mr. Bhaskar Bhat
Mr. T K Arun (from 23rd October 2012)
Mr. H G Raghunath
Mr. R Vivekanandah (from 3rd May 2013)

Bankers

Canara Bank
Corporation Bank
Standard Chartered Bank

Auditors

Deloitte Haskins & Sells

Registered Office

L-15, Verna Industrial Estate
Verna, Salcette - 403 722
Goa

TITAN TIMEPRODUCTS LIMITED

NOTICE

The Twenty Second Annual General Meeting of Titan TimeProducts Limited will be held at the Registered Office of the Company, at L-15, Verna Industrial Estate, Verna, Salcette - 403 722, Goa, on Wednesday, 18th July 2013 at 12:30 PM to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March 2013 and the Balance Sheet as at that date together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Bhaskar Bhat, who retires by rotation and is eligible for re appointment.
3. To appoint a Director in place of Mr. T K Arun, who retires by rotation and is eligible for re appointment.
4. To appoint Auditors and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED that M/s. Deloitte Haskins & Sells (ICAI registration number 008072S), Chartered Accountants, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial year 2013-14 on such remuneration and out of pocket expenses as may be decided by the Board of Directors.”

Special Business:

1. To appoint a Director in place of Mr. R Vivekananadah, who holds office upto the date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956, read with article 117 of the Articles of Association of the Company, who being eligible, offers himself for reappointment and in respect of whom the Company has received a valid nomination in writing from a Member proposing his candidature for the office of Director.

NOTE:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MAY NOT VOTE EXCEPT ON A POLL.

Registered Office:
L-15, Verna Industrial Estate
Verna, Salcette - 403 722
Goa

On behalf of the Board of Directors,



Director

Date: 3rd May 2013

Annexure to Notice

1. As required by section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business mentioned under item no.1 of the Special Business of the accompanying Notice dated 3rd May 2013:

Item No.1 under *Special Business*: Mr. R Vivekanandah was appointed as an Additional Director of the Company on 3rd May 2013 by the Board of Directors through Circular Resolution. In terms of section 260 of the Companies Act, 1956, read with article 117 of the Articles of Association of the Company, Mr. R Vivekanandah holds office as a Director till the date of the ensuing Annual General Meeting of the Company, but is eligible for appointment. Notice under section 257 of the Companies Act, 1956, along with the requisite deposit of Rs.500/- have been received from a Shareholder of the Company signifying intention of proposing Mr. R Vivekanandah as a candidate for the office of Director.

Mr. R Vivekanandah is the Head of Precision Engineering Division, Titan Industries Limited. The Board considers it desirable that the Company continues to avail of the services and wise counsel of Mr. R Vivekanandah and accordingly the Directors recommend that he be appointed as a Director of the Company.

Other than Mr. R Vivekanandah, none of the other Directors is in any way, concerned or interested in this resolution.

Registered Office:

L-15, Verna Industrial Estate
Verna, Salcette - 403 722
Goa

On behalf of the Board of Directors,



Director

Date: 3rd May 2013

Directors' Report

To the Members of Titan TimeProducts Limited

The Directors are pleased to present the Twenty Second Annual Report and Audited Statement of Accounts for the year ended 31st March 2013.

Financial Results

	Rupees in Lakhs	
	2012-2013	2011-2012
Sales Income	2913.99	2810.97
Other Income	11.94	3.33
Total Income	2925.93	2814.30
Less: Excise Duty	273.75	223.75
Net Income	2652.18	2590.55
Expenditure	2428.82	2369.39
Gross Profit	223.36	221.16
Finance Costs	-	3.27
Cash Operating Profit	223.36	217.89
Depreciation/ Amortisation	75.72	71.97
Profit before Taxes	147.64	145.92
Income Taxes: Current	53.15	70.24
Deferred	(5.40)	(27.25)
Profit after taxes for the year	99.89	102.93
Less: Income tax of earlier years	-	-
Net Profit	99.89	102.93

Dividend

In order to conserve the resources of the Company and keeping in mind the future growth plan, the Directors do not recommend the payment of equity dividend on equity shares.

Finance

At the Extra Ordinary General Meeting held on 28th January 2012, the Members had authorised the issuance of 6,25,000 equity shares of Rs.10/- each at a premium of Rs 30/- per share aggregating to Rs.250 lakhs and one number Zero Coupon Unsecured Optionally Convertible Bond of Rs.250 lakhs on preferential basis to Holding Company, Titan Industries Limited, to meet the funding requirement for procurement of production equipments and infrastructure. During the year, the Company allotted 6,25,000 equity shares of Rs.10/- each at a premium of Rs 30/- per share, partly paid to the extent of Rs.4/-

ds
h

....2

per share (Re.1/- on Equity Account and Rs.3/- on Share Premium Account) aggregating to Rs.25 lakhs and one number Zero Coupon Unsecured Optionally Convertible Bond of Rs.250 lakhs to Titan Industries Limited. During the year, the Company incurred a Capital expenditure of Rs. 226 Lakhs towards procurement of production equipments and infrastructure.

Manufacturing

During the year under review, the Company produced a total of 82,38,415 Nos. (Previous Year: 90,13,735 Nos.) Electronic Circuit Boards (ECB) and Micro Assemblies.

Sales

During the year 2012-2013, the Company sold a total of 81,86,173 Nos. (Previous Year: 89,98,418 Nos.) Electronic Circuit Boards and Micro Assemblies. Net sales income during the year was Rs.2608.19 lakhs (Previous Year: Rs. 2542.65 lakhs). The Company met the entire requirement of Titan Industries Limited, as well as the committed numbers to the external customers. The quality, delivery and competitive price of the products continue to be well received.

Prospects

The Company has been able to grow its external business of Electronics Manufacturing Services (EMS) significantly by generating business opportunities in automotive, industrial control, power electronics, telecom, and recently from the green energy sectors.

In the current fiscal year, Rs.1438 lakhs of the revenue is attributable to external customers, who have acknowledged the Company's efforts on its ability to meet their stringent quality requirements.

The Company during the year has been able to procure orders from a leading manufacturer of solar water pumps, which promises a significant growth opportunity in the domestic market in the years to come.

The Company continues to be one of the major suppliers of ECBs to Titan Industries Limited. It has made continuous efforts to improve the quality of the product, simultaneously aligning to the varying market demands. However, due to change in in-house manufacturing strategy, the Company is experiencing a decline in their requirements going forward.



Technological Development

The Company has been steering through successfully high-mix low-volume manufacturing and has developed more than 76 new products of varying complexities during the year for both the domestic and overseas customers. The Company has been able to quickly refine the manufacturing and delivery processes in meeting the varied expectations of customers from different industries such as automotive, industrial controls, power and energy.

A new manufacturing process for assembly of Watch ECB has been successfully tested and tried out that releases the capacity of Wire-bonding machine, and the capacities at labour intensive operations of die-bonding, and epoxy coating. The new method demanded the selection and sourcing of Integrate Circuits in the pre-packaged form, and subsequently soldering it on Printed Circuit Boards using the Surface Mount Technology (SMT) line.

The Company continues its efforts in terms of indigenization of several input materials including PCBs, inductors, fixtures and pallets, thus saving on the foreign currency outgo.

The Company has made significant efforts towards sustaining the Quality Management System and thus won the confidence of many a customer. The Company's quality management system continued to be accredited to ISO 9001 and TS 16949 standards during the year.

Directors

Mr. T K Arun was appointed on 23rd October 2012 as Director in the casual vacancy caused by the resignation of Mr. V Parthasarathy.

In accordance with the policy of the Holding Company, Mr. N Kailasanathan submitted his resignation upon retiring from the services of Titan Industries Limited on 31st March 2013.

The Directors place on record their deep gratitude and appreciation for the guidance, wise counsel given by Mr. N Kailasanathan during his tenure as Director of the Company.

Mr. Bhaskar Bhat and Mr. T K Arun, will retire by rotation and are eligible for reappointment. Mr. R Vivekanandah's appointment as Director will come up for approval by the shareholders at the Annual General Meeting.

ds
L

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the operating management, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. They have in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for that period;
3. They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Employees

Cordial industrial relations are maintained at all levels. The employees are being retrained to match the quality and workmanship levels as demanded by the external customers. The Company has seen sustained participation of employees in various continuous improvement projects, and productivity improvement projects. The Company has progressed well in terms of the recognition schemes, such as Moments of Fame to reward creditable contributions by employees.

During the current year, the Company has been able obtain the accreditation to the Occupational Health and Safety Standards (OHSAS). The implementation of the System has helped re-inforce our approaches and efforts in the areas of employees' safety, occupational risk hazards, and statutory compliance requirements.

Subsidiary Companies

The Company has no subsidiaries.

Two handwritten signatures in black ink, one above the other, appearing to be initials or names.

Particulars of Employees

The Company does not have any employee in respect of whom information is required to be provided under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Section 217 (1) (e) of the Companies Act, 1956

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, the required information relating to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" is annexed.

Secretarial Compliance Certificate

In accordance with the requirement of Section 383A of the Companies Act, 1956, the Certificate from a Practising Company Secretary is enclosed certifying Secretarial Compliance in respect of the Company for the year ended March 31, 2013.

Auditors

Members will be requested at the Annual General Meeting to authorize the Board of Directors to re-appoint M/s. Deloitte Haskins & Sells (ICAI registration number 008072S), Chartered Accountants, as the auditors for the financial year 2013-14, on such remuneration and out of pocket expenses as may be decided by the Board of Directors.

Acknowledgements

The Directors are pleased to record their appreciation of the support received from Titan Industries Limited, Departments of the Government of Goa, the Company's Bankers and the employees and Management of the Company.

On behalf of the Board of Directors,


Director


Director

Bangalore, 3rd May 2013

Annexure to the Directors' Report

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company affairs)

A. Conservation of Energy

The average power factor achieved during the year was 0.99 against the minimum requirement of 0.95, which makes the Company eligible for a nominal bonus from the distribution board.

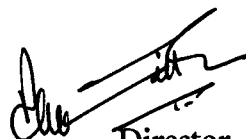
B. Technology Absorption

The Company has acquired capabilities of assembling high-density circuit boards with Surface-mount, and through-hole technologies. The Company has also been able to develop, and install customer specific testing equipment matching their varied needs. The team through its internal efforts has successfully demonstrated the precision joining technique of Ball Grid Array Soldering, and associated rework methodologies.

C. Foreign exchange earned and used

The Company has used foreign exchange worth Rs.1005.44 lakhs (previous year: Rs.956.53 lakhs) and earned Rs.248.66 lakhs (previous year: Rs. 182.04 lakhs).

On behalf of the Board of Directors,


Director


Director

Bangalore, 3rd May 2013

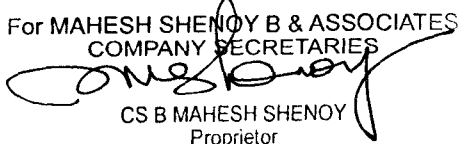
SECRETARIAL COMPLIANCE CERTIFICATE

Company Registration No. : **U33301GA1991PLC001148**
Nominal Capital : **Rs. 30,000,000.00**

To:
THE MEMBERS,
TITAN TIME PRODUCTS LIMITED,
L-15, ELECTRONIC CITY,
VERNA, SALCETE,
GOA

I have examined the registers, records, books and papers of **M/s. TITAN TIME PRODUCTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Officers and Agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all the Registers as stated in the "**Annexure A**" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in "Annexure B" to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder and in case of delay with additional fees. Further, the Company has not filed any documents with the Regional Director, Central Government, Company Law Board or other Authorities;
3. The Company being a Public Limited Company, comments are not required;
4. The Board of Directors duly met 5 (five) times on 27.04.2012, 18.07.2012, 23.10.2012, 18.01.2013 and on 14.03.2013, in respect of which meetings proper notices were given as per the Articles Of Association of the Company and the proceedings were properly recorded and signed including the circular resolutions dated 18.05.2012 and 18.10.2012 passed in the Minutes Book maintained for the purpose;
5. The Company has not closed its Register of Members during the year under review;
6. The Annual General Meeting for the financial year ended on March 31, 2012 was held on 18.07.2012, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose;
7. No Extra Ordinary General Meeting of the shareholders was held during the financial year under review;

For MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES

CS B MAHESH SHENOY
Proprietor
CP No. 4262

Page 1 of 4
TITAN TIME PRODUCTS LIMITED
SECRETARIAL COMPLIANCE CERTIFICATE 2012-13

MAHESH SHENOY B & ASSOCIATES

COMPANY SECRETARIES

8. During the year under review, the Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act;
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of the contracts specified in that section;
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act;
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government;
12. During the year under scrutiny, no duplicate share certificates were issued;
13. The Company:
- Has delivered all the certificates on allotment of securities and on lodgement thereof in case of transfer of shares. However there were no instances of transmission of shares during the year under review;
 - Was not required to deposit the dividend in a separate Bank account as no dividend was declared during the financial year;
 - As the Company has not paid any dividend for the period, no question of unpaid/unclaimed dividend would arise;
 - There are no dividend remained unpaid/unclaimed for more than seven years;
 - Has duly complied with the provisions of Section 217 of the Companies Act.
14. The Board of Directors of the Company is duly constituted and during the year one additional director and one director appointed in casual vacancy were appointed during the financial year under review;
15. The Company has not appointed/re-appointed any Managing Director/Whole Time Director/ Manager during the financial year under review;
16. The Company has not appointed any sole selling agents during the financial year;
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar of such other Authorities prescribed under the various provisions of the Act during the financial year under review;
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder;
19. The Company has issued shares and zero coupon unsecured optionally convertible bonds during the financial year under review. However, the company has not issued debentures during the financial year under review;
20. The Company has not bought back any shares during the financial year ending March 31, 2013;
21. The Company was not required to redeem any preference shares/debenture during the year under review;

MAHESH SHENOY B & ASSOCIATES

COMPANY SECRETARIES transactions necessitating the Company to keep in abeyance the rights to dividends, right shares and bonus shares pending registration of transfer of shares during the financial year;

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year;
24. The Company has not borrowed any loans during the financial year under review under the provisions of Section 293(1)(d) of the Act;
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year under review;
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny;
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny;
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny;
29. The Company has not altered the provisions of the Memorandum of Association with respect to Share capital of the Company during the year under scrutiny;
30. The Company has not altered its Articles of Association during the year under scrutiny;
31. There were no show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act;
32. The Company has not received any security from its employees which attracts the provisions of section 417(1) of the Act during the year under scrutiny;
33. The Company has not created any trust as defined in Section 418 of the Act. Hence, the said section is not applicable.

Place: Bangalore

Date: 01.04.2013

"ANNEXURE A"

List of Registers maintained by the Company:

1. Register of Charges u/s. 143;
2. Register of Members u/s.150;
3. Minutes of Board and General Body Meetings u/s.193;
4. Register of contracts u/s. 301;
5. Register of Directors, Managing Director etc, u/s 303;
6. Register of Directors Shareholdings u/s.307;
7. Directors Attendance Register and Shareholders Attendance Register;

MAHESH SHENOY B & ASSOCIATES

COMPANY SECRETARIES
ANNEXURE B

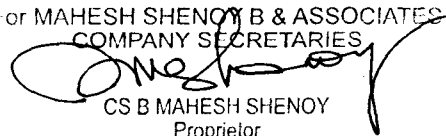
Forms filed with the Registrar of Companies, CLB, Regional Director etc:

1. Forms and returns as filed by the Company with the ROC during the financial year:

Sl.No	Form /Return	Filed under Section	For	Date of filing/ Registration	Whether filed within prescribed time Y/N	If delay in filing, whether requisite additional fees paid Y/N
1	Form 23AC-XBRL Form 23ACA-XBRL	220	Filing of Annual Report for the Financial year ended 31.03.2012 etc. laid before the AGM held on 18.07.2012	15.01.2013	Y	N
2	Form 66	383A	Secretarial Compliance Certificate for the Financial year ended 31.03.2012	30.08.2012	Y	N
3	Form 20B	159	Filing of Annual Return as per Schedule V made upto 18.07.2012	06.09.2012	Y	N
4	Form 32	303(2)	Appointment of Mr. H.G. Raghunath as an Additional Director	11.05.2012	Y	N
5	Form 32	303(2)	Regularization of Mr. H.G. Raghunath from Additional Director to Director	14.08.2012	Y	N
6	Form 32	303(2)	Resignation of Mr. V. Parthasarathy as a Director	16.08.2012	Y	N
7	Form 32	303(2)	Appointment of Mr. T.K. Arun as a Director appointed in casual vacancy	07.11.2012	Y	N
8	Form 2	75	Preferential allotment of Shares	20.11.2012	Y	N
9	Form A - Cost Compliance Report - XBRL		Cost Compliance Report	31.01.2013	Y	N

2. Forms filed with the Regional Director, Central Government, Company Law Board or other Authorities:

--NIL--

for MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES

CS B MAHESH SHENOY
Proprietor
CP No. 4262

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITAN TIMEPRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TITAN TIMEPRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)



A handwritten signature in black ink, appearing to read "V. Srikumar".

V. Srikumar
Partner

(Membership No. 84494)

BANGALORE, 24th April, 2013
VS/ MNB/ UB/ 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/ activities/ result during the year, clauses (v), (vi), (xii), (xiii), (xiv), (xvi), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.



Deloitte Haskins & Sells

- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹)
Income-tax Act, 1961	Income- tax	Commissioner of Income Tax (Appeals)	2009-10 and 2010-11	1,271,095



Deloitte Haskins & Sells

- (viii) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the current financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks or financial institutions and have not defaulted in repayment to debenture holders.
- (x) Accordingly to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xii) According to the information and explanations given to us, the Company has not made any preferential allotment to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by and on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No.008072S)



A handwritten signature in black ink, appearing to read "V. Srikumar".

V. Srikumar
Partner

(Membership No. 84494)

BANGALORE, 24th April, 2013
VS/ MNB/ UB/ 2013

TITAN TIMEPRODUCTS LIMITED

Balance Sheet as at 31st March 2013

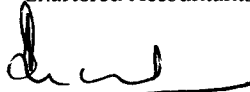
Particulars	Note No.	As at 31-03-2013 ₹	As at 31-03-2012 ₹
EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	2.1	1,96,25,000	1,90,00,000
b) Reserves and surplus	2.2	7,04,81,917	5,86,17,809
		<u>9,01,06,917</u>	<u>7,76,17,809</u>
2. Non-current liabilities			
a) Long-term borrowings	3.1	2,50,00,000	-
b) Deferred tax liabilities (net)	3.2	22,31,814	27,72,341
c) Long-term provisions	3.3	2,20,73,197	1,77,43,021
		<u>4,93,05,011</u>	<u>2,05,15,362</u>
3. Current liabilities			
a) Trade payables	4.1	1,60,39,631	3,33,46,882
b) Other current liabilities	4.2	46,89,692	33,39,488
c) Short-term provisions	4.3	10,01,497	8,23,969
		<u>2,17,30,820</u>	<u>3,75,10,339</u>
		<u>16,11,42,748</u>	<u>13,56,43,510</u>
ASSETS			
1. Non-current assets			
a) Fixed assets			
Tangible assets	5	6,27,70,747	5,29,12,525
Capital work-in-progress		9,86,628	-
		<u>6,37,57,375</u>	<u>5,29,12,525</u>
b) Long-term loans and advances	6	1,38,21,372	60,65,491
2. Current assets			
a) Inventories	7.1	2,38,43,336	2,55,81,959
b) Trade receivables	7.2	3,24,21,588	3,23,01,516
c) Cash and bank balances	7.3	2,22,37,299	1,54,42,018
d) Short-term loans and advances	7.4	50,52,963	31,13,009
e) Other current assets	7.5	8,815	2,26,992
		<u>8,35,64,001</u>	<u>7,66,65,494</u>
		<u>16,11,42,748</u>	<u>13,56,43,510</u>

See accompanying notes forming part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants



V. Srikumar

Partner

For and on behalf of the Board of Directors

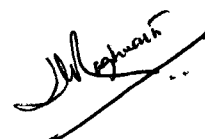


Director

Director

Place : Bangalore

Date : 24-04-2013

TITAN TIMEPRODUCTS LIMITED

Statement of profit and loss for the year ended 31st March 2013

Particulars	Note No.	Current Year ₹	Previous Year ₹
I. Revenue from operations (gross)	8.1	29,13,99,055	28,10,96,706
Less: Excise duty		2,73,75,350	2,23,75,136
Revenue from operations (net)		<u>26,40,23,705</u>	<u>25,87,21,570</u>
II. Other income	8.2	11,94,177	3,33,121
III. Total revenue (I + II)		<u>26,52,17,882</u>	<u>25,90,54,691</u>
IV. Expenses			
a) Cost of materials consumed		14,32,14,759	13,57,59,511
b) Changes in inventories of finished goods and work-in-progress	9	(7,46,841)	(47,979)
c) Employee benefits expense	10	5,30,54,695	5,40,53,008
d) Finance costs	11	-	3,27,228
e) Depreciation and amortisation expense	5	75,72,148	71,97,018
f) Other expenses	12	4,73,59,540	4,71,73,560
Total expenses		<u>25,04,54,301</u>	<u>24,44,62,346</u>
V. Profit before tax (III - IV)		1,47,63,581	1,45,92,345
VI. Tax expense			
a) Current tax		53,15,000	70,24,000
b) Deferred tax		(5,40,527)	(27,25,206)
		<u>47,74,473</u>	<u>42,98,794</u>
VII. Profit for the year (V - VI)		<u>99,89,108</u>	<u>1,02,93,551</u>
VIII. Earning per equity share of ₹10 each:			
Basic and diluted (₹)	19	5.18	5.42

See accompanying notes forming part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS

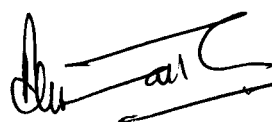
Chartered Accountants



V. Srikumar

Partner

For and on behalf of the Board of Directors



Director

Director

Place : Bangalore

Date : 24-04-2013



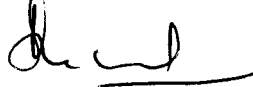

TITAN TIMEPRODUCTS LIMITED

Cash flow statement for the year ended 31st March 2013

Particulars	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit before tax	1,47,63,581	1,45,92,345
Adjustments for:		
Depreciation and amortisation expense	75,72,148	71,97,018
Unrealised exchange difference (net)	(83,384)	(2,66,401)
Loss on assets sold/discarded	90,495	9,40,596
Interest income	(11,94,177)	(3,33,121)
Interest expense	-	3,27,228
Provisions no longer required written back	(4,86,895)	-
Trade receivables and advances written-off	4,86,895	-
Provision for doubtful debts and advances	-	4,86,895
Operating profit before working capital changes	<u>2,11,48,663</u>	<u>2,29,44,560</u>
Changes in working capital		
Adjustments for (increase) or decrease in operating assets		
Inventories	17,38,623	(16,69,693)
Trade receivables	(2,34,451)	76,82,357
Short-term loans and advances	(20,34,741)	52,44,341
Long-term loans and advances	(1,78,008)	(16,321)
Adjustments for increase or (decrease) in operating liabilities		
Trade payables	(1,72,36,083)	(7,89,256)
Other current liabilities	12,09,785	(11,35,995)
Short-term provisions	1,77,528	(839)
Long-term provisions	43,30,176	52,67,382
Cash generated from operations	<u>89,21,492</u>	<u>3,75,26,536</u>
- Net income tax paid	<u>(88,60,769)</u>	<u>(72,78,090)</u>
Net cash from operating activities	A 60,723	3,02,48,446
B. Cash flow from investing activities		
Capital expenditure on fixed assets including capital advances	(2,26,30,476)	(1,04,57,498)
Proceeds from sale of fixed assets	2,31,298	-
Bank balances not considered as cash and cash equivalents		
- Placed	-	(95,00,000)
- Matured	95,00,000	-
Interest received	<u>14,12,354</u>	<u>1,06,128</u>
Net cash used in investing activities	B (1,14,86,824)	(1,98,51,370)
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	25,00,000	-
Proceeds from issue of Zero coupon unsecured optionally convertible bond	2,50,00,000	-
Proceeds/ (repayment) of borrowings	-	(49,77,377)
Finance costs	-	(3,27,228)
Net cash from/ (used in) financing activities	C 2,75,00,000	(53,04,605)
Net cash flows during the year (A+B+C)	<u>1,60,73,899</u>	<u>50,92,471</u>
Cash and cash equivalents (opening balance)	59,42,018	8,79,818
Cash and cash equivalents (closing balance)	2,22,37,299	59,42,018
Exchange difference on translation of foreign currency cash and cash equivalents	(2,21,382)	30,271
Increase in cash and cash equivalents	<u>1,60,73,899</u>	<u>50,92,471</u>

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants


V. Sri Kumar
Partner

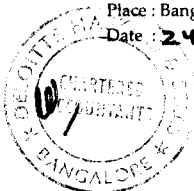
For and on behalf of the Board of Directors


Director

Director



Place : Bangalore
Date : 24-04-2013



TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

1 Significant Accounting policies:

The financial statements have been prepared on an accrual basis under the historical cost convention in accordance with the accounting principles generally accepted in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 (as amended) and with the relevant provisions of the Companies Act, 1956.

- i. Use of estimates: The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.
- ii. Revenue recognition: Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides when the goods are dispatched from the factory or delivered to customers as per the terms of the contract.
- iii. Tangible fixed assets: All fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.
Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the balance sheet date.
- iv. Depreciation: Depreciation has been provided on the straight-line method in accordance with the rates prescribed by the Schedule XIV to the Companies Act, 1956.
- v. Foreign currency transactions: Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities are restated at year end rates or forward cover rates, as applicable. The net loss or gain arising on restatement/ settlement is adjusted to the statement of profit and loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss of the reporting period in which the exchange rates change.

- vi. Inventories: Inventories are valued at lower of cost and net realisable value. The cost of various categories of inventory is determined as follows:
 - a) Consumable stores, loose tools, raw materials and components are valued on a moving weighted average rate.
 - b) Work-in-progress and manufactured goods are valued on full absorption cost method based on the average cost of production.

vii. Employee benefits:

Short term employee benefits

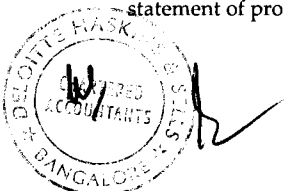
All short term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Provident fund and pension fund are defined contribution plans towards which the Company makes contribution at permitted rates to the Regional Provident Fund Commissioner. The same is debited to the statement of profit and loss on an accrual basis.

Defined benefit plan

Provision for gratuity and leave salary is made on the basis of an actuarial valuation using the Projected Unit Credit method and is debited to the statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the statement of profit and loss.



A handwritten signature in black ink, consisting of stylized initials and a surname.

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

- viii. Taxes on Income: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.
Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- ix. Impairment of assets: Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the assets/ cash generating units. If any indication exists, an impairment loss is recognized when the carrying amount exceeds the greater of net selling price and value in use.
- x. Provisions and contingencies: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes.
Contingent assets are neither recognised nor disclosed in the financial statements.
- xi. Government grants: State investment subsidy is treated as Capital Reserve.

2.1 i) Share capital

Particulars	As at 31-03-2013		As at 31-03-2012	
	No. of shares	₹	No. of shares	₹
i) Authorised				
Equity share of ₹ 10 (2012: ₹ 10) each with voting rights	30,00,000	3,00,00,000	30,00,000	3,00,00,000
ii) Issued				
Equity share of ₹ 10 (2012: ₹ 10) each with voting rights	25,25,000	2,52,50,000	19,00,000	1,90,00,000
iii) Subscribed and fully paid up				
Equity share of ₹ 10 (2012: ₹ 10) each fully paid up with voting rights	19,00,000	1,90,00,000	19,00,000	1,90,00,000
iv) Subscribed but not fully paid up				
Equity share of ₹ 10 (2012: Nil) each with voting rights, ₹ 9 not paid up	6,25,000	6,25,000	-	-

ii) Rights, preference and restrictions attached to shares:

The Company has only one class of equity shareholders having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

iii) Reconciliation of shares outstanding at the beginning and end of the year

Particulars	As at 31-03-2013		As at 31-03-2012	
	No. of shares	₹	No. of shares	₹
Equity share with voting rights				
Shares outstanding at the beginning of the year	19,00,000	1,90,00,000	19,00,000	1,90,00,000
Add: Issued during the year (subscribed but not fully paid up)	6,25,000	6,25,000	-	-
Shares outstanding at the end of the year	25,25,000	1,96,25,000	19,00,000	1,90,00,000

iv) Share holders holding more than 5% shares in the Company.

Name of shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of shares held	% total holding	No. of shares held	% total holding
Equity shares with voting rights				
Titan Industries Limited (Holding Company) and its nominees	25,25,000	100	19,00,000	100



TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

2.2 Reserves and surplus

Particulars	Amount (₹)	
	As at 31-03-2013	As at 31-03-2012
Capital reserve	25,00,000	25,00,000
Capital redemption reserve	10,00,000	10,00,000
Share premium account		
Opening balance	-	-
Add: Premium on shares issued during the year	18,75,000	-
Closing balance	18,75,000	-
General reserve	4,27,000	4,27,000
Surplus in statement of profit and loss		
Opening balance	5,46,90,809	4,43,97,258
Add: Profit for the year	99,89,108	1,02,93,551
Closing balance	6,46,79,917	5,46,90,809
	7,04,81,917	5,86,17,809

3.1 Long-term borrowings

Particulars	Amount (₹)	
	As at 31-03-2013	As at 31-03-2012
Zero coupon unsecured optionally convertible bond	2,50,00,000	-
	2,50,00,000	-

The above bond is issued on 23 October 2012, for a maximum tenure of five years. The price, date, interest and terms of conversion or redemption will be mutually agreed to between the Company and the allottee before the date of maturity or redemption.

3.2 Deferred tax liabilities (net)

Particulars	Amount (₹)	
	As at 31-03-2013	As at 31-03-2012
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	97,18,398	89,54,374
Tax effect of items constituting deferred tax liabilities	97,18,398	89,54,374
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	74,86,584	60,24,060
Provision for doubtful debts and advances	-	1,57,973
Tax effect of items constituting deferred tax assets	74,86,584	61,82,033
Deferred tax liabilities (net)	22,31,814	27,72,341

3.3 Long-term provisions

Particulars	Amount (₹)	
	As at 31-03-2013	As at 31-03-2012
Provision for employee benefits (Refer note: 18)		
- Provision for gratuity	1,37,76,993	1,15,00,881
- Provision for compensated absences	82,96,204	62,42,140
	2,20,73,197	1,77,43,021



[Handwritten signature]

[Handwritten signature]

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

4.1 Trade payables include amounts due to micro enterprises and small enterprises as under

Amount (₹)

Particulars	As at	As at
	31-03-2013	31-03-2012
i) Principal amounts unpaid	1,38,741	-
Interest due on the above	-	-
	1,38,741	-

ii) No interest payments have been made during the year

iii) The information regarding dues to micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4.2 Other current liabilities

Amount (₹)

Particulars	As at	As at
	31-03-2013	31-03-2012
Advances from customers	32,67,303	20,99,602
Statutory dues	11,33,333	9,92,261
Earnest money deposit	38,282	1,31,270
Payables on purchase of fixed assets	2,50,774	1,10,355
Others	-	6,000
	46,89,692	33,39,488

4.3 Short-term provisions

Amount (₹)

Particulars	As at	As at
	31-03-2013	31-03-2012
Provision for employee benefits (Refer note: 18)		
- Provision for gratuity	4,01,069	3,55,898
- Provision for compensated absences	6,00,428	4,68,071
	10,01,497	8,23,969

5 Tangible assets

i) Gross block

(Previous year figures are in brackets)

Amount (₹)

Particulars	As at	Additions	Deductions / Adjustments	As at
	01-04-2012			31-03-2013
Land - Leasehold	15,35,820	-	-	15,35,820
	(15,35,820)	(-)	(-)	(15,35,820)
Buildings	2,20,63,559	11,57,470	-	2,32,21,029
	(2,16,32,896)	(4,30,663)	(-)	(2,20,63,559)
Plant and equipment	10,15,47,660	1,54,76,784	12,56,413	11,57,68,031
	(10,13,02,503)	(48,46,392)	(46,01,235)	(10,15,47,660)
Office equipment	54,51,615	7,04,608	6,20,358	55,35,865
	(40,50,103)	(16,53,384)	(2,51,872)	(54,51,615)
Furniture and fixtures	35,86,592	28,561	-	36,15,153
	(30,72,259)	(5,59,365)	(45,032)	(35,86,592)
Vehicles	17,89,422	3,84,740	-	21,74,162
	(20,31,142)	(51,552)	(2,93,272)	(17,89,422)
TOTAL	13,59,74,668	1,77,52,163	18,76,771	15,18,50,060
	(13,36,24,723)	(75,41,356)	(51,91,411)	(13,59,74,668)



[Handwritten signature]

[Handwritten signature]

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

(ii) Depreciation and net block

Amount (₹)

(Previous year figures are in brackets)

Particulars	Depreciation				Net block
	As at 01-04-2012	For the year	Deductions / Adjustments	As at 31-03-2013	
Land - Leasehold	10,19,614 (9,68,420)	51,194 (51,194)	- (-)	10,70,808 (10,19,614)	4,65,012 (5,16,206)
Buildings	1,14,38,737 (1,07,08,633)	7,64,901 (7,30,104)	- (-)	1,22,03,638 (1,14,38,737)	1,10,17,391 (1,06,24,822)
Plant and equipment	6,59,68,382 (6,41,31,429)	61,03,020 (57,74,805)	11,46,223 (39,37,852)	7,09,25,179 (6,59,68,382)	4,48,42,852 (3,55,79,278)
Office equipment	15,63,921 (14,03,434)	2,65,900 (2,38,986)	4,08,755 (78,499)	14,21,066 (15,63,921)	41,14,799 (38,87,694)
Furniture and fixtures	25,53,981 (23,89,737)	2,11,047 (2,06,114)	- (41,870)	27,65,028 (25,53,981)	8,50,125 (10,32,611)
Vehicles	5,17,508 (5,14,287)	1,76,086 (1,95,815)	- (1,92,594)	6,93,594 (5,17,508)	14,80,568 (12,71,914)
TOTAL	8,30,62,143 (8,01,15,940)	75,72,148 (71,97,018)	15,54,978 (42,50,815)	8,90,79,313 (8,30,62,143)	6,27,70,747 (5,29,12,525)

6 Long-term loans and advances

(Unsecured and considered good unless otherwise stated)

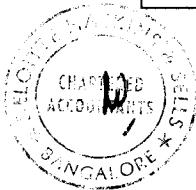
Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Capital advances	63,92,425	23,60,321
Less: Provision for doubtful advances	-	2,06,832
	63,92,425	21,53,489
Security deposits	90,726	90,726
Employee loans	43,466	72,290
Tax payments (net of provision)	72,94,755	37,48,986
	1,38,21,372	60,65,491

7.1 Inventories

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Raw materials		
- In Stock	1,58,93,277	1,76,53,782
- Goods-in-transit	30,48,532	36,30,788
Work-in-progress (Electronic Circuit Boards and Micro Assemblies)	10,97,462	18,12,010
Finished goods	20,32,437	5,71,048
Stores and spares	17,71,628	19,14,331
	2,38,43,336	2,55,81,959



Handwritten signature

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

7.2 Trade receivables

(Unsecured and considered good unless otherwise stated)

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	4,66,644	3,01,761
- Considered doubtful	-	57,970
	4,66,644	3,59,731
Less: Provision for doubtful trade receivables	-	57,970
	4,66,644	3,01,761
Other trade receivables		
- Considered good	3,19,54,944	3,19,99,755
	3,24,21,588	3,23,01,516

7.3 Cash and bank balances

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Cash and cash equivalents		
- Balance with banks	1,67,23,296	29,26,066
- Cash on hand	14,003	15,952
- Short-term deposits with banks	55,00,000	30,00,000
	2,22,37,299	59,42,018
Other bank balances		
- Short-term deposits with banks with more than three months maturity	-	95,00,000
	2,22,37,299	1,54,42,018

7.4 Short-term loans and advances

(Unsecured and considered good unless otherwise stated)

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Employee loans	3,74,347	2,55,322
Advances to suppliers	9,36,357	6,62,834
Less: Provision for doubtful advances	-	2,22,093
	9,36,357	4,40,741
Prepaid expenses	21,32,105	14,72,017
Balance with government authorities	16,10,154	9,44,929
	50,52,963	31,13,009

7.5 Other current assets

(Unsecured and considered good)

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
Interest accrued on deposits	8,815	2,26,992
	8,815	2,26,992



[Handwritten signature]

TITAN TIMEPRODUCTS LIMITED**Notes forming part of the financial statements**

8.1 Revenue from operations (gross)

Amount (₹)

Particulars	Current Year	Previous Year
Sale of products (Electronic Circuit Boards and Micro Assemblies)	28,81,93,829	27,66,40,292
Other operating revenue (Scrap sale and job work)	32,05,226	44,56,414
	29,13,99,055	28,10,96,706

Excise Duty of ₹ 2,73,75,350 (2012: ₹ 2,23,75,136) reduced from gross sales in the statement of profit and loss represents excise duty on sale of products.

8.2 Other Income

Amount (₹)

Particulars	Current Year	Previous Year
Interest income on fixed deposits and staff loan	11,94,177	3,33,121
	11,94,177	3,33,121

9 Changes in inventories of finished goods and work-in-progress

Amount (₹)

Particulars	Current Year	Previous Year
Finished goods		
- Closing stock	20,32,437	5,71,048
- Opening stock	5,71,048	62,998
	(14,61,389)	(5,08,050)
Work-in-progress		
- Closing stock	10,97,462	18,12,010
- Opening stock	18,12,010	22,72,081
	7,14,548	4,60,071
	(7,46,841)	(47,979)

10 Employee benefits expense

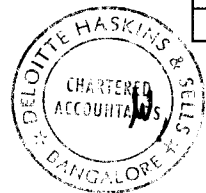
Amount (₹)

Particulars	Current Year	Previous Year
Salaries and wages	4,27,08,730	4,61,74,703
Contribution to provident and other funds	24,69,901	19,40,294
Gratuity (Refer note 18)	24,45,483	30,91,744
Staff welfare expense	54,30,581	28,46,267
	5,30,54,695	5,40,53,008

11 Finance costs

Amount (₹)

Particulars	Current Year	Previous Year
Interest expense on borrowing	-	3,27,228
	-	3,27,228



Handwritten signature/initials.

Handwritten signature/initials.

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

12 Other expenses

Amount (₹)

Particulars	Current Year	Previous Year
Consumption of stores and spare parts	92,49,929	1,08,64,272
Power and fuel	36,30,680	31,85,321
Rent	32,500	32,500
Repairs and maintenance - Building	10,59,447	12,22,537
Repairs and maintenance - Machinery	41,84,007	46,96,570
Selling and distribution expenses	42,91,983	40,15,702
Insurance	3,32,108	2,96,262
Rates and taxes*	5,64,619	4,88,076
Legal and professional	1,42,41,160	1,12,00,896
Loss on assets sold/ discarded	90,495	9,40,596
Provision for doubtful trade receivables and advances	-	4,86,895
Trade receivables and advances written-off	4,86,895	-
Provision for doubtful trade receivables and advances written back	(4,86,895)	-
	-	-
Payment to auditors**	12,04,135	11,25,000
Exchange difference (net)	2,97,515	5,44,374
General expenses	81,80,962	80,74,559
	4,73,59,540	4,71,73,560

*Rates and taxes include ₹ 2,01,031 (2012: ₹ 71,497) being the difference in excise duty included in closing stock and opening stock of finished goods.

** Payment to auditors comprise (net of service tax input credit):

Amount (₹)

Particulars	Current Year	Previous Year
For audit	9,00,000	9,00,000
For taxation matters	2,25,000	2,25,000
Reimbursement of expenses	79,135	-
	12,04,135	11,25,000



[Handwritten signature]

[Handwritten signature]

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

13 Earnings in foreign exchange

Amount (₹)

Particulars	Current Year	Previous Year
Export of goods on FOB basis	2,45,85,701	1,82,04,408
Others	2,80,386	-

14 Estimated amount of contracts remaining to be executed and not provided for is as follows:

Amount (₹)

Particulars	As at 31-03-2013	As at 31-03-2012
- on capital account	2,82,61,383	83,82,712
- others	1,69,84,292	2,37,30,313
	4,52,45,675	3,21,13,025

15 Non-fund based facilities availed of ₹ 6,09,000 (2012: ₹ 6,09,000) from a bank are secured by a first charge by way of hypothecation of inventories, spares and book debts, both present and future. The said security ranks pari passu with the security for the cash credit facility.

16 Value of imported and indigenous materials and components consumed and the percentage of each to the total consumption:

Particulars	Current Year ₹	%	Previous Year ₹	%
Imported				
- CIF Value	9,04,97,342	63	9,28,19,747	68
- Customs duties	12,76,388	1	14,09,119	1
	9,17,73,730	64	9,42,28,866	69
Indigenous	5,14,41,029	36	4,15,30,645	31
	14,32,14,759	100	13,57,59,511	100

17 Value of imports on CIF basis

Amount (₹)

Particulars	Current Year	Previous Year
Raw materials and components	8,83,94,346	9,31,90,219
Stores and spares	10,48,208	8,98,534
Capital goods	1,11,01,369	15,63,985

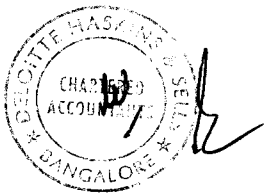
18 Employee Benefits

a) Defined Contribution Plan

The contributions recognized in the statement of profit and loss during the year are as under:

Amount (₹)

Defined Contribution Plan	Current Year	Previous Year
Employee Provident Fund	24,69,901	19,40,294



Handwritten signature

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

b) Defined Benefit Plan - Gratuity (non-funded) as per actuarial valuation.

		Amount (₹)	
		Current Year	Previous Year
I	Net asset / (liability) recognized in the balance sheet		
1	Present value of unfunded obligations	1,41,78,062	1,18,56,779
2	Fair value of plan assets	-	-
3	(Deficit) / surplus	(1,41,78,062)	(1,18,56,779)
4	Net asset / liability		
	-Assets	-	-
	- Liabilities		
	Current	4,01,069	3,55,898
	Non-current	1,37,76,993	1,15,00,881
	Total liabilities	1,41,78,062	1,18,56,779
II	Expense recognized in the statement of profit and loss (under the head "Employee benefits expense." Refer Note 10)		
1	Current service cost	6,82,662	5,30,790
2	Interest on defined benefit obligation	10,38,365	7,63,086
3	Net actuarial losses/ (gains) recognized during the year	7,24,456	17,97,868
4	Past service cost	-	-
	Total	24,45,483	30,91,744
	Actual return on plan assets	-	-
III	Change in present value of obligation		
1	Opening defined benefit obligation	1,18,56,779	87,65,035
2	Current service cost	6,82,662	5,30,790
3	Interest cost	10,38,365	7,63,086
4	Actuarial losses/ (gains)	7,24,456	17,97,868
5	Benefits paid	(1,24,200)	-
6	Past service cost	-	-
7	Closing defined benefit obligation	1,41,78,062	1,18,56,779
IV	Principal actuarial assumptions		
	Discount rate	8.10% p.a.	8.40% p.a.
	Expected rate of return on plan assets	-	-
	Salary escalation	7.0% p.a.	7.0% p.a.
V	The employees are assumed to retire at the age of 58 years.		
VI	The mortality rates considered are as per the published rates in the Indian assured lives mortality (2006-2008) Ult tables.		

VII. Experience adjustments

	Amount (₹)				
	Year ended				
	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Defined benefit obligation	1,41,78,062	1,18,56,779	87,65,035	68,77,971	65,69,284
Plan assets	-	-	-	-	-
Surplus / (deficit)	(1,41,78,062)	(1,18,56,779)	(87,65,035)	(68,77,971)	(65,69,284)
Experience adjustment on plan liabilities	1,19,168	17,08,671	3,26,176	(1,69,689)	6,99,802
Experience adjustment on plan assets	-	-	-	-	-



[Handwritten signature]

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

c) Other long term benefits

The defined benefit obligations which are provided for, but not funded are as under:

Particulars	Amount (₹)	
	As at 31-03-2013	As at 31-03-2012
Leave salary		
- Current	6,00,428	4,68,071
- Non-current	82,96,204	62,42,140
	88,96,632	67,10,211

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

19 The following table sets forth the computation of basic and diluted earnings per share:

Particulars	Amount (₹)	
	Current Year	Previous Year
Profit after tax for the year	99,89,108	1,02,93,551
Weighted average number of equity shares	19,27,226	19,00,000
Nominal value of shares	10	10
Earnings per Share - Basic and diluted	5.18	5.42

20 Segment information

The Company's sole business segment is manufacture and sale of Electronic Circuit Boards and Micro Assemblies and there are no reportable primary business segments.

Geographical Segments:

Segment revenue from external customers, based on geographical location of customer

Particulars	Year ended	Amount (₹)		
		India	Outside India	Total
Revenue	31 st March 2013	26,65,32,968	2,48,66,087	29,13,99,055
	31 st March 2012	26,28,92,298	1,82,04,408	28,10,96,706

The operating facilities of the company are commonly employed for both the domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segment.

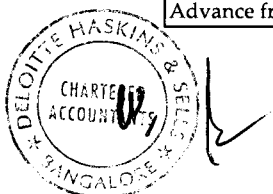
21 Details of foreign currency exposure:

a) There are no outstanding forward contracts entered into by the Company.

b) The year end outstanding foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31-03-2013					
	₹	€	\$	S\$	¥	SF
Assets						
Trade receivables	37,44,943	-	68,968	-	-	-
Loans and advances	7,84,961	3,275	10,258	-	-	-
Payables						
Trade payables	20,46,476	-	27,327	-	6,00,000	3,800
Advance from customer	59,741	-	1,100	-	-	-

Particulars	As at 31-03-2012					
	₹	€	\$	S\$	¥	SF
Assets						
Trade receivables	72,48,309	28,260	1,04,707	-	-	-
Loans and advances	4,96,039	3,334	5,182	133	-	-
Payables						
Trade payables	61,06,001	7,610	90,540	-	15,75,000	-
Advance from customer	2,88,018	-	5,659	-	-	-



Handwritten signature

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

22 Name of related parties and description of relationship:

- a) Holding Company : Titan Industries Limited
 b) Key Management personnel : Mr. N. Kailasanathan, Director (up to 31st March 2013)
 Mr. B.G. Dwarakanath, Director (up to 18th April 2011)

Transactions with the related parties during the year are set out in the table below:

Nature of transaction	Year Ended	Amount (₹)		
		Holding company	Key Management	Total
Purchase of raw material, components and other items	31 st March 2013	69,21,404	-	69,21,404
	31 st March 2012	44,89,460	-	44,89,460
Purchase of fixed assets	31 st March 2013	93,658	-	93,658
	31 st March 2012	-	-	-
Sale of goods	31 st March 2013	15,44,61,026	-	15,44,61,026
	31 st March 2012	17,14,42,640	-	17,14,42,640
Interest expense	31 st March 2013	-	-	-
	31 st March 2012	2,80,727	-	2,80,727
Reimbursement of expenses	31 st March 2013	14,48,179	-	14,48,179
	31 st March 2012	-	-	-
Reimbursement of services	31 st March 2013	1,51,67,826	-	1,51,67,826
	31 st March 2012	1,05,28,657	-	1,05,28,657
Subscription to equity share capital (including premium)	31 st March 2013	25,00,000	-	25,00,000
	31 st March 2012	-	-	-
Subscription to Zero coupon unsecured optionally convertible bond	31 st March 2013	2,50,00,000	-	2,50,00,000
	31 st March 2012	-	-	-
Sitting fee	31 st March 2013	45,000	-	45,000
	31 st March 2012	30,000	-	30,000

Balances as on balance sheet date

	Year ended	Amount (₹)
		Holding company
Debit balance (net)	31 st March 2013	1,19,37,299
	31 st March 2012	82,62,107
Credit balance	31 st March 2013	-
	31 st March 2012	3,000

23 The figures of the previous year have been regrouped/recast, wherever necessary to conform with the current year classification.

Signatures to Note 1 to 23.

For and on behalf of the Board of directors



[Handwritten Signature]

Director

Director

[Handwritten Signature]

Place : Bangalore

Date : 24-04-2013