

TITAN TIMEPRODUCTS LIMITED

CIN: U33301GA1991PLC001148

TWENTY-THIRD ANNUAL REPORT 2013-14

Directors

Dr. C G Krishnadas Nair, Chairman
Mr. Bhaskar Bhat
Mr. T K Arun
Mr. H G Raghunath
Mr. R Vivekanandah

Bankers

Canara Bank
Corporation Bank
Standard Chartered Bank
State Bank of India

Auditors

Deloitte Haskins & Sells

Registered Office

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

TITAN TIMEPRODUCTS LIMITED

NOTICE

The Twenty-third 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 Friday, 11th July 2014 at 12:30 PM to transact the following business:

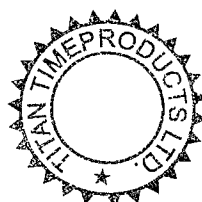
1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. H G Raghunath, who retires by rotation and is eligible for re appointment.
3. To appoint a Director in place of Mr. Bhaskar Bhat, 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 pursuant to Section 139(2)(b) of Companies Act, 2013, Companies (Audit and Auditors) Rules 2014 and such other applicable provisions, M/s. Deloitte Haskins & Sells (ICAI registration number 008072S), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this 23rd Annual General Meeting (transition period of 3 years – being counted as the first meeting) until the conclusion of the 26th Annual General Meeting (being counted as the third meeting), subject to ratification in every Annual General Meeting till the year 2016-17, to audit the accounts of the Company for the financial years 2014-15 to 2016-17, on such remuneration and out of pocket expenses as may be decided by the Board of Directors.”

Special Business:

5. To increase the Authorised Share Capital of the Company: To consider and, if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the Authorized Share Capital of the Company be and is hereby authorized to be increased from Rs. Rs.3,00,00,000/- (Rupees Three crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs.10/- each (Rupees Ten only) to Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only) ranking pari passu in all respect with the existing Equity Shares.



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RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized severally to take all steps as may be necessary to give effect to the aforesaid resolution."

6. **Alteration of Capital Clause contained in the Memorandum of Association of the Company: To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following Clause:

V. The authorised share capital of the Company is Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only) with the rights, privileges and conditions attaching thereto, as are provided by the Articles of Association of the Company, for the time being, with power to increase the share capital by such amounts as the Company thinks expedient by issuing new shares and to divide the shares in the capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being, to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association for the time being of the Company."

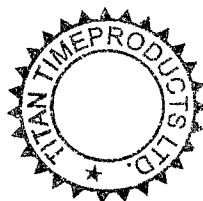
7. **Alteration of Capital Clause contained in the Articles of Association: To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for substituting Article 8 of the Articles of Association of the Company with the following new Article:

8. The authorised share capital of the Company is Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only)"

NOTE:

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. A person can act as proxy on behalf of members not exceeding fifty and

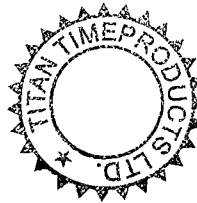


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holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The format of Proxy is attached.

Registered Office:
L-15, Verna Industrial Estate
Verna, Salcette - 403 722
Goa
CIN: U33301GA1991PLC001148

On behalf of the Board of Directors,



A handwritten signature in black ink, consisting of several fluid, connected strokes.

Director

Date: 11th June 2014

Annexure to Notice

As required by Section 102 of the Companies Act, 2013, the following explanatory statements set out all material facts relating to the business mentioned in the accompanying Notice dated 11th June 2014:

Item No.5: To increase the Authorised Share Capital of the Company

The Authorized Share Capital of the Company is at present Rs. 3,00,00,000/- (Rupees Three crores only) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs.10/- each (Rupees Ten only) and it is proposed to increase the same to Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only) to enable meeting the operating cash flow requirement of the business.

None of the Directors, is in any way, concerned or interested in this resolution.

Item No.6: Alteration of Capital Clause contained in the Memorandum of Association of the Company:

In order to give effect to the increase in Authorised Share Capital to Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only), the amendment is carried out in the Clause V of the Memorandum of Association (MoA) of the Company.

None of the Directors, is in any way, concerned or interested in this resolution

Item No.7: Alteration of Capital Clause contained in the Articles of Association of the Company:

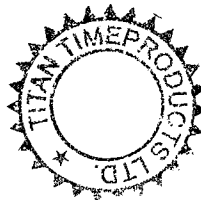
In order to give effect to the increase in Authorised Share Capital to Rs.7,00,00,000/- (Rupees Seven crores only) divided into 70,00,000 (Seventy lakhs) equity shares of Rs.10/- each (Rupees Ten only), , the amendment is carried in the Article 8 of the Articles of Association (AoA) of the Company.

None of the Directors, is in any way, concerned or interested in this resolution

Registered Office:

L-15, Verna Industrial Estate
Verna, Salcette - 403 722
Goa
CIN: U33301GA1991PLC001148

On behalf of the Board of Directors,



Director

Date: 11th June 2014

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) ofshares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him
2. Name:
Address:
E-mail Id:
Signature:, or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on theday of At a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....

Signed this.....day of.....20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Directors' Report

To the Members of Titan TimeProducts Limited

The Directors are pleased to present the Twenty-third Annual Report and Audited Statement of Accounts for the year ended 31st March 2014.

Financial Results

| | Rupees in Lakhs | |
|---|------------------|------------------|
| | 2013-2014 | 2012-2013 |
| Sales Income | 2536.86 | 2913.99 |
| Other Income | 23.33 | 11.94 |
| Total Income | 2560.19 | 2925.93 |
| Less: Excise Duty | 226.27 | 273.75 |
| Net Income | 2333.92 | 2652.18 |
| Expenditure | 2485.42 | 2428.82 |
| Gross Profit/(Loss) | (151.50) | 223.36 |
| Finance Costs | .05 | - |
| Cash Operating Profit/(Loss) | (151.55) | 223.36 |
| Depreciation/Amortisation | 97.64 | 75.72 |
| Profit/(Loss) before Taxes | (249.19) | 147.64 |
| Income Taxes: Current | 0 | 53.15 |
| Deferred | 33.17 | (5.40) |
| Profit/(Loss) after Taxes for the year | (282.36) | 99.89 |

Dividend

In view of the loss incurred during the year, the Directors are unable to recommend the payment of any dividend.

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 Company Limited (formerly Titan Industries Limited), to meet the funding requirement for procurement of production equipment and infrastructure. During the previous 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/- 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 Company Limited. During the year, the Company made the first and the final call of Rs.150 lakhs and Rs.75 lakhs respectively and the 6,25,000 equity shares have been fully paid up.



Manufacturing

During the year under review, the Company produced a total of 64,08,448 Nos. (Previous Year: 82,38,415 Nos.) Electronic Circuit Boards (ECBs) and Micro Assemblies. The Company has demonstrated a high degree of resilience while delivering the product mix that included a variety of boards in terms of size and number of child components, as well as the varying batch sizes.

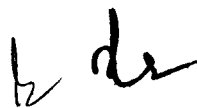
Sales

During the year 2013-2014, the Company sold a total of 64,59,583 nos. of ECBs and micro assemblies (previous year: 81,86,173 nos.). Net sales income during the year was Rs. 2259.62 lakhs against the previous year's figure of Rs. 2608.19 lakhs. The drop in volumes is largely attributed to the decline in the off-take of watch circuit boards from Titan Company Limited (2012-13: 6.43 million nos. 2013-14: 4.85 million nos.). The quality, delivery and competitive price of the products continue to be well received by the Holding Company and external customers.

The year 2013-14 has shown a growth of 29% in the revenues from automotive sensors and infotainment products, while the income from electrical switch-gear products have marginally reduced by 3%. Income from other industrial customers has dropped by 29%, largely due to delay in launch of their few programs, as well as due to two of the customers moving away to competitors for better prices.

The Company has been able to secure orders for products with a relatively high end-use application (shift-by-wire; throttle-valve body sensors; electro-mechanical speed sensing systems, and radio frequency switches). This evidences the increased confidence by customers on Company's manufacturing capabilities and quality systems which is further reinforced through long-term contracts that are signed or under negotiations.

During the year, the Company has entered into a strategic alliance with Firstronic of USA engaged in business of electronics contract manufacturing. The alliance shall allow both the companies in sharing the business development and customer engagement efforts while servicing common customers, and also provide economy of scale while sourcing raw materials. The Company has been benefited in terms of gaining insights into the manufacturing processes adopted by Firstronic, as well as some in terms of the benchmarking of our price work-outs.



Prospects

The Company has been able to grow over the years 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.1334 lakhs of revenue is attributable to external customers, who have shown confidence of continuing with the Company in the years to come.

The Company continues to be the single largest supplier of ECBs to Titan Company Limited. However, due to a change in their in-house manufacturing plan of watch movements, Titan Company Limited has indicated the volumes of watch circuits boards procured from the Company may decline further. The specialty movements being designed by Titan Company Limited are supposed to bring incremental revenues to the Company in the years ahead.

During the year, the services of Tata Strategic Management Group (TSMG) were sought to formulate a long term growth strategy for the Company. The study was conducted with an objective of a) validating the growth prospects of pursuing contract electronics manufacturing business and b) to identify a new business opportunity to transform the Company into a Product Company in the long run.

Technological Development

The Company has been steering through successfully high-mix low-volume manufacturing and has developed more than 180 products of varying complexities during the year for both the domestic and overseas customers.

During the year, a second surface mount assembly equipment was commissioned, thus enhancing the placement capacity by over 50%. The new equipment has been configured to provide a greater flexibility in manufacturing at the same time includes advanced facilities such as online inspection of solder paste, dispensing of paste or glue spots anywhere on the Printed Circuit Boards (PCBs) and an improved oven process length that ensures solder joint quality of high reliability electronics. The addition of an X-Ray inspection equipment has enhanced the process capability to assemble leadless packages like Ball Grid Arrays (BGAs). The addition of automated conformal coating equipment adds flexibility to selectively apply conformal materials on the Printed Circuit Board Assemblies (PCBAs) and the Ultra Violet (UV) oven helps in speedy cure of the UV based conformal materials.

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Continued efforts have been made 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 customers. The Company's quality management system continued to be accredited to ISO 9001 and TS 16949 standards during the year.

Occupational Health and Safety Standard (OHSAS):

The Company has sustained its efforts to match the OHSAS 18001:2007 system requirements. Several initiatives to overcome potential safety and occupational health hazards are conducted in the factory premises including installation of adequate fume extractors with filters. Improvements such as work-zone monitoring, training of workmen on handling of hazardous chemicals and wastes, introduction of work permits, and safety tags have helped enhance the responsiveness of the overall system.

Directors

Mr. H G Raghunath and Mr. Bhaskar Bhat, will retire by rotation and are eligible for reappointment.

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.

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Employees

Cordial industrial relations are maintained at all levels. The employees are being re-trained 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, Quality Month initiatives, Safety Month activities, to reward creditable contributions by employees.

Subsidiary Companies

The Company has no subsidiaries.

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

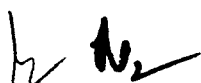
In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, the required information relating to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" is annexed.

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, 2014.

Auditors

Members will be requested at the Annual General Meeting to authorize the Board of Directors to appoint M/s. Deloitte Haskins & Sells (ICAI registration number 008072S), Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this 23rd Annual General Meeting (transition period of 3 years – being counted as the first meeting) until the conclusion of the 26th Annual General Meeting (being counted as the third meeting), subject to ratification in every Annual General Meeting till the year 2016-17, to audit the accounts of the Company for the financial years 2014-15 to 2016-17, 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 Company 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, 26th April 2014

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 0.996 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 inspection and testing facilities in the Company have been enhanced through an additional of a sophisticated X-ray inspection machine, as well as Radio-Frequency test set-up to inspect wire-less switching equipment.

The secondary processes of conformal coating, along with UV Curing capabilities have helped the Company to acquire contracts to manufacture products that are likely to be exposed to extreme environments.

The Company has also successfully established a box-build assembly process involving assembly of plastic housing and metallic components on the electronics sub-assemblies.

C. Foreign exchange earned and used

The Company has used foreign exchange worth Rs.1176.80 lakhs (previous year: Rs. 1005.44 lakhs) and earned Rs.158.25 lakhs (previous year: Rs. 248.66 lakhs).

On behalf of the Board of Directors,


Director


Director

Bangalore, 26th April 2014

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, SALCETTE,
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, 2014. 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 24.04.2013, 18.07.2013, 16.10.2013, 16.01.2014, 14.03.2014 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 03.05.2013 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, 2014 was held on 18.07.2013, 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;

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TITAN TIME PRODUCTS LIMITED
SECRETARIAL COMPLIANCE CERTIFICATE 2013-14

For MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES


CS B MAHESH SHENOY
Proprietor
CP No. 4262

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:
 - a. has not allotted shares but shares were lodged for transfer according to provisions the Companies Act;
 - b. Was not required to deposit the dividend in a separate Bank account as no dividend was declared during the financial year;
 - c. As the Company has not paid any dividend for the period, no question of unpaid/unclaimed dividend would arise;
 - d. There are no dividend remained unpaid/unclaimed for more than seven years;
 - e. 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 one additional director was 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 not issued shares/ debentures/ other securities during the financial year and complied with the provisions of the Act;
20. The Company has not bought back any shares during the financial year ending March 31, 2014;
21. The Company was not required to redeem any preference shares/debenture during the year under review;

MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES

22. There were no 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: 10.04.2014

For MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES

S.S.B MAHESH SHENOY
Proprietor
CP No. 4262

"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;

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TITAN TIME PRODUCTS LIMITED
SECRETARIAL COMPLIANCE CERTIFICATE 2013-14

MAHESH SHENOY B & ASSOCIATES
COMPANY SECRETARIES

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;

"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 32 | 303(2) | Resignation of Mr. Kailasanathan Narayan as Director & Appointment of Mr. Ramasamy Vivekanandah as Additional Director | 07.05.2013 | Y | N |
| 2 | Form 32 | 303(2) | Regularisation of Mr. Ramasamy Vivekanandah from Additional Director to Director | 23.07.2013 | Y | N |
| 3 | Form 20B | 159 | Filing of Annual Return as per Schedule V made upto 18.07.2013 | 22.08.2013 | Y | N |
| 4 | Form 23AC-XBRL Form 23ACA-XBRL | 220 | Filing of Annual Report for the Financial year ended 31.03.2013 etc. laid before the AGM held on 18.07.2013 | 26.08.2013 | N | Y |
| 5 | Form 66 | 383A | Secretarial Compliance Certificate for the Financial year ended 31.03.2013 | 26.08.2013 | N | Y |
| 6 | Form A - Cost Compliance Report - XBRL | | Cost Compliance Report | 24.09.2013 | Y | NA |

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

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TITAN TIME PRODUCTS LIMITED
SECRETARIAL COMPLIANCE CERTIFICATE 2013-14

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, 2014, 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 the 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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.

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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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss 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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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



V. Srikumar
Partner

(Membership No. 84494)

Bangalore, 26th April, 2014
VS/MNB/UB/2014

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/ results 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 Act.

(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

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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 Act 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, 2014 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, 2014 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 |

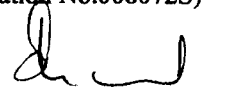
- (viii) The Company does not have accumulated losses as at the end of the financial year. While the Company has incurred cash losses during the current financial year, it has not incurred cash losses during the preceding financial year.

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- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and debenture holders. There are no dues to financial institutions.
- (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 Act.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



V. Sri Kumar

Partner
(Membership No. 84494)

BANGALORE, 26th April, 2014
VS/ MNB/ UB/ 2014

TITAN TIMEPRODUCTS LIMITED

Balance Sheet as at 31st March 2014


| Particulars | Note No. | As at 31-03-2014 ₹ | As at 31-03-2013 ₹ |
|-----------------------------------|----------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| a) Share capital | 2.1 | 25,250,000 | 19,625,000 |
| b) Reserves and surplus | 2.2 | 59,120,436 | 70,481,917 |
| | | <u>84,370,436</u> | <u>90,106,917</u> |
| 2. Non-current liabilities | | | |
| a) Long-term borrowings | 3.1 | 25,000,000 | 25,000,000 |
| b) Deferred tax liabilities (net) | 3.2 | 5,549,545 | 2,231,814 |
| c) Long-term provisions | 3.3 | 22,894,748 | 22,073,197 |
| | | <u>53,444,293</u> | <u>49,305,011</u> |
| 3. Current liabilities | | | |
| a) Short-term borrowings | 4.1 | 5,699,788 | - |
| b) Trade payables | 4.2 | 26,931,564 | 16,039,631 |
| c) Other current liabilities | 4.3 | 3,890,138 | 4,689,692 |
| d) Short-term provisions | 4.4 | 1,198,345 | 1,001,497 |
| | | <u>37,719,835</u> | <u>21,730,820</u> |
| | | <u>175,534,564</u> | <u>161,142,748</u> |
| TOTAL | | | |
| ASSETS | | | |
| 1. Non-current assets | | | |
| a) Fixed assets | | | |
| Tangible assets | 5 | 100,305,680 | 62,770,747 |
| Capital work-in-progress | | - | 986,628 |
| | | <u>100,305,680</u> | <u>63,757,375</u> |
| b) Long-term loans and advances | 6 | 8,270,377 | 13,821,372 |
| 2. Current assets | | | |
| a) Inventories | 7.1 | 21,482,382 | 23,843,336 |
| b) Trade receivables | 7.2 | 32,291,551 | 32,421,588 |
| c) Cash and bank balances | 7.3 | 4,517,586 | 22,237,299 |
| d) Short-term loans and advances | 7.4 | 8,666,988 | 5,052,963 |
| e) Other current assets | 7.5 | - | 8,815 |
| | | <u>66,958,507</u> | <u>83,564,001</u> |
| | | <u>175,534,564</u> | <u>161,142,748</u> |
| TOTAL | | | |

See accompanying notes forming part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants


V. Srikumar

Partner

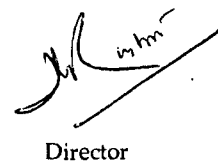


Place : Bangalore

Date : April 26, 2014

For and on behalf of the Board of Directors


Director


Director

TITAN TIMEPRODUCTS LIMITED

Statement of profit and loss for the year ended 31st March 2014

| Particulars | Note No. | Current Year ₹ | Previous Year ₹ |
|--|----------|---------------------|--------------------|
| I. Revenue from operations (gross) | 8.1 | 253,686,212 | 291,399,055 |
| Less: Excise duty | | 22,627,401 | 27,375,350 |
| Revenue from operations (net) | | 231,058,811 | 264,023,705 |
| II. Other income | 8.2 | 2,333,229 | 1,194,177 |
| III. Total revenue (I + II) | | 233,392,040 | 265,217,882 |
| IV. Expenses | | | |
| a) Cost of materials consumed | | 127,913,876 | 143,214,759 |
| b) Changes in inventories of finished goods and work-in-progress | 9 | 1,666,152 | (746,841) |
| c) Employee benefits expense | 10 | 59,416,747 | 53,054,695 |
| d) Finance costs | 11 | 5,439 | - |
| e) Depreciation and amortisation expense | 5 | 9,763,557 | 7,572,148 |
| f) Other expenses | 12 | 59,545,019 | 47,359,540 |
| Total expenses | | 258,310,790 | 250,454,301 |
| V. Profit/(loss) before tax (III - IV) | | (24,918,750) | 14,763,581 |
| VI. Tax expense | | | |
| a) Current tax | | - | 5,315,000 |
| b) Deferred tax | | 3,317,731 | (540,527) |
| | | 3,317,731 | 4,774,473 |
| VII. Profit/(loss) for the year (V - VI) | | (28,236,481) | 9,989,108 |
| VIII. Earning per equity share of ₹10 each: | | | |
| Basic and diluted (₹) | 19 | (12.78) | 5.18 |

See accompanying notes forming part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors



V. Srikumar
Partner





Director



Director

Place : Bangalore

Date : April 26, 2014

TITAN TIMEPRODUCTS LIMITED


Cash flow statement for the year ended 31st March 2014

| Particulars | Current Year ₹ | Previous Year ₹ |
|--|---------------------|---------------------|
| A. Cash flow from operating activities | | |
| Profit/ (loss) before tax | (24,918,750) | 14,763,581 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 9,763,557 | 7,572,148 |
| Unrealised exchange difference (net) | (140,563) | (83,384) |
| Loss on assets sold/discarded | 249,506 | 90,495 |
| Interest income | (404,569) | (1,194,177) |
| Finance costs | 5,439 | - |
| Provisions no longer required written back | - | (486,895) |
| Trade receivables and advances written-off | 73,867 | 486,895 |
| Operating profit/ (loss) before working capital changes | (15,371,513) | 21,148,663 |
| Changes in working capital | | |
| Adjustments for (increase) or decrease in operating assets | | |
| Inventories | 2,360,954 | 1,738,623 |
| Trade receivables | 56,170 | (234,451) |
| Short-term loans and advances | (3,651,811) | (2,034,741) |
| Long-term loans and advances | (141,042) | (178,008) |
| Adjustments for increase or (decrease) in operating liabilities | | |
| Trade payables | 11,076,704 | (17,236,083) |
| Other current liabilities | (1,189,130) | 1,209,785 |
| Short-term provisions | 196,848 | 177,528 |
| Long-term provisions | 821,551 | 4,330,176 |
| Cash generated from operations | (5,841,269) | 8,921,492 |
| - Net income tax paid | (484,388) | (8,860,769) |
| Net cash from/ (used in) operating activities | A | 60,723 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets including capital advances | (40,431,916) | (22,630,476) |
| Proceeds from sale of fixed assets | 430,367 | 231,298 |
| Bank balances not considered as cash and cash equivalents | - | 9,500,000 |
| Interest received | 413,384 | 1,412,354 |
| Net cash used in investing activities | B | (11,486,824) |
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares (including premium) | 22,500,000 | 2,500,000 |
| Proceeds from issue of Zero coupon unsecured optionally convertible bond | - | 25,000,000 |
| Proceeds/ (repayment) of borrowings | 5,699,788 | - |
| Finance costs | (5,439) | - |
| Net cash from financing activities | C | 27,500,000 |
| Net cash flows during the year (A+B+C) | (17,719,473) | 16,073,899 |
| Cash and cash equivalents (opening balance) | 22,237,299 | 5,942,018 |
| Cash and cash equivalents (closing balance) | 4,517,586 | 22,237,299 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 240 | (221,382) |
| Increase/ (decrease) in cash and cash equivalents | (17,719,473) | 16,073,899 |

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 : April 26, 2014

TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

1 Significant Accounting policies:

i. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of estimates: The preparation of the financial statements in conformity with Indian GAAP 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.

iii. 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.

iv. 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.

v. Depreciation: Depreciation is provided under the straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, based on the technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates.

vi. 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.

vii. 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.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recovered by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

viii. Employee benefits:

Short-term employee benefits

All-short term employee benefits such as salaries, wages, bonus, special awards and 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 are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

Provision for gratuity and compensated absences are made on the basis of an actuarial valuation using the Projected Unit Credit method and are 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.

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TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

ix. 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 differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

x. 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.

xi. 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.

xii. Government grants: State investment subsidy is treated as Capital Reserve.

2.1 i) Share capital

| Particulars | As at 31-03-2014 | | As at 31-03-2013 | |
|--|------------------|------------|------------------|------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| i) Authorised | | | | |
| Equity share of ₹ 10 (2013: ₹ 10) each with voting rights | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| ii) Issued | | | | |
| Equity share of ₹ 10 (2013: ₹ 10) each with voting rights | 2,525,000 | 25,250,000 | 2,525,000 | 25,250,000 |
| iii) Subscribed and fully paid up | | | | |
| Equity share of ₹ 10 (2013: ₹ 10) each fully paid up with voting rights | 2,525,000 | 25,250,000 | 1,900,000 | 19,000,000 |
| iv) Subscribed but not fully paid up | | | | |
| Equity share of ₹ 10 (2013: ₹ 10) each with voting rights, ₹ Nil (2013: ₹ 9 not paid up) | - | - | 625,000 | 625,000 |

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.



TITAN TIMEPRODUCTS LIMITED
Notes forming part of the financial statements

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

| Particulars | As at 31-03-2014 | | As at 31-03-2013 | |
|--|------------------|------------|------------------|------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Equity share with voting rights | | | | |
| Shares outstanding at the beginning of the year | 2,525,000 | 19,625,000 | 1,900,000 | 19,000,000 |
| Add: Issued during the year (subscribed but not fully paid up) | - | - | 625,000 | 625,000 |
| Add: Called and paid during the year | - | 5,625,000 | - | - |
| Shares outstanding at the end of the year | 2,525,000 | 25,250,000 | 2,525,000 | 19,625,000 |

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

| Name of shareholder | As at 31-03-2014 | | As at 31-03-2013 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | No. of shares held | % total holding | No. of shares held | % total holding |
| Equity shares with voting rights | | | | |
| Titan Company Limited (formerly Titan Industries Limited) (Holding Company) and its nominees | 2,525,000 | 100 | 2,525,000 | 100 |

2.2 Reserves and surplus

| Particulars | Amount (₹) | |
|--|------------------|------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Capital reserve | 2,500,000 | 2,500,000 |
| Capital redemption reserve | 1,000,000 | 1,000,000 |
| Securities premium account | | |
| Opening balance | 1,875,000 | - |
| Add: Premium on shares issued/called | 16,875,000 | 1,875,000 |
| Closing balance | 18,750,000 | 1,875,000 |
| General reserve | 427,000 | 427,000 |
| Surplus in statement of profit and loss | | |
| Opening balance | 64,679,917 | 54,690,809 |
| Add: Profit/(loss) for the year | (28,236,481) | 9,989,108 |
| Closing balance | 36,443,436 | 64,679,917 |
| | 59,120,436 | 70,481,917 |

3.1 Long-term borrowings

| Particulars | Amount (₹) | |
|---|------------------|------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Zero coupon unsecured optionally convertible bond | 25,000,000 | 25,000,000 |
| | 25,000,000 | 25,000,000 |

The above bond was 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 31-03-2014 | As at 31-03-2013 |
| Tax effect of items constituting deferred tax liabilities | | |
| On difference between book balance and tax balance of fixed assets | 12,994,311 | 9,718,398 |
| Tax effect of items constituting deferred tax liabilities | 12,994,311 | 9,718,398 |
| Tax effect of items constituting deferred tax assets | | |
| Provision for compensated absences and gratuity | 7,444,766 | 7,486,584 |
| Tax effect of items constituting deferred tax assets | 7,444,766 | 7,486,584 |
| Deferred tax liabilities/ (assets) (net) | 5,549,545 | 2,231,814 |

TITAN TIMEPRODUCTS LIMITED
Notes forming part of the financial statements

3.3 Long-term provisions

| Particulars | Amount (₹) | |
|--|---------------------|---------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Provision for employee benefits (Refer note: 18) | | |
| - Provision for gratuity | 14,170,028 | 13,776,993 |
| - Provision for compensated absences | 8,724,720 | 8,296,204 |
| | 22,894,748 | 22,073,197 |

4.1 Short-term borrowings

| Particulars | Amount (₹) | |
|---------------------------|---------------------|---------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Loans repayable on demand | | |
| - from bank - Secured* | 5,699,788 | - |
| | 5,699,788 | - |

* Cash credit from a bank is taken at an interest rate of 11.45% and is secured by hypothecation of inventories, spares and book debts both present and future.

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

| Particulars | Amount (₹) | |
|-----------------------------|---------------------|---------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| i) Principal amounts unpaid | 800 | 138,741 |
| Interest due on the above | - | - |
| | 800 | 138,741 |

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.

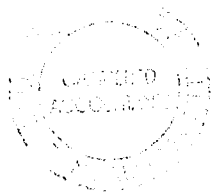
4.3 Other current liabilities

| Particulars | Amount (₹) | |
|--------------------------------------|---------------------|---------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Advances from customers | 1,689,349 | 3,267,303 |
| Statutory dues | 1,080,208 | 1,133,333 |
| Earnest money deposit | 486,413 | 38,282 |
| Payables on purchase of fixed assets | 634,168 | 250,774 |
| | 3,890,138 | 4,689,692 |

4.4 Short-term provisions

| Particulars | Amount (₹) | |
|--|---------------------|---------------------|
| | As at 31-03-2014 | As at 31-03-2013 |
| Provision for employee benefits (Refer note: 18) | | |
| - Provision for gratuity | 482,623 | 401,069 |
| - Provision for compensated absences | 715,722 | 600,428 |
| | 1,198,345 | 1,001,497 |

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TITAN TIMEPRODUCTS LIMITED
Notes forming part of the financial statements
5 Tangible assets
i) Gross block

(Previous year figures are in brackets)

Amount (₹)

| Particulars* | As at 01-04-2013 | Additions | Deductions/ Adjustments | As at 31-03-2014 |
|------------------------|--|--|---|--|
| Land - Leasehold | 1,535,820 (1,535,820) | - (-) | - (-) | 1,535,820 (1,535,820) |
| Buildings | 23,221,029 (22,063,559) | 11,860,067 (1,157,470) | - (-) | 35,081,096 (23,221,029) |
| Plant and equipment | 115,768,031 (101,547,660) | 35,760,438 (15,476,784) | 10,014,172 (1,256,413) | 141,514,297 (115,768,031) |
| Office equipment | 5,535,865 (5,451,615) | 308,358 (704,608) | 106,190 (620,358) | 5,738,033 (5,535,865) |
| Furniture and fixtures | 3,615,153 (3,586,592) | 49,500 (28,561) | 862,204 (-) | 2,802,449 (3,615,153) |
| Vehicles | 2,174,162 (1,789,422) | - (384,740) | - (-) | 2,174,162 (2,174,162) |
| TOTAL | 151,850,060 (135,974,668) | 47,978,363 (17,752,163) | 10,982,566 (1,876,771) | 188,845,857 (151,850,060) |

* Represents owned assets, unless otherwise stated

(ii) Depreciation and net block

(Previous year figures are in brackets)

Amount (₹)

| Particulars | Accumulated depreciation | | | Net block | | |
|------------------------|--|--|---|--|---|--|
| | As at 01-04-2013 | Depreciation for the year | Deductions / Adjustments | As at 31-03-2014 | As at 31-03-2014 | As at 31-03-2013 |
| Land - Leasehold | 1,070,808 (1,019,614) | 51,193 (51,194) | - (-) | 1,122,001 (1,070,808) | 413,819 (465,012) | 465,012 (516,206) |
| Buildings | 12,203,638 (11,438,737) | 1,005,502 (764,901) | - (-) | 13,209,140 (12,203,638) | 21,871,956 (11,017,391) | 11,017,391 (10,624,822) |
| Plant and equipment | 70,925,179 (65,968,382) | 8,005,799 (6,103,020) | 9,378,425 (1,146,223) | 69,552,553 (70,925,179) | 71,961,744 (44,842,852) | 44,842,852 (35,579,278) |
| Office equipment | 1,421,066 (1,563,921) | 407,517 (265,900) | 62,064 (408,755) | 1,766,519 (1,421,066) | 3,971,514 (4,114,799) | 4,114,799 (3,887,694) |
| Furniture and fixtures | 2,765,028 (2,553,981) | 87,001 (211,047) | 862,204 (-) | 1,989,825 (2,765,028) | 812,624 (850,125) | 850,125 (1,032,611) |
| Vehicles | 693,594 (517,508) | 206,545 (176,086) | - (-) | 900,139 (693,594) | 1,274,023 (1,480,568) | 1,480,568 (1,271,914) |
| TOTAL | 89,079,313 (83,062,143) | 9,763,557 (7,572,148) | 10,302,693 (1,554,978) | 88,540,177 (89,079,313) | 100,305,680 (62,770,747) | 62,770,747 (52,912,525) |



TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

6 Long-term loans and advances
(Unsecured and considered good)

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|---------------------------------|---------------------|---------------------|
| Capital advances | 216,000 | 6,392,425 |
| Security deposits | 90,726 | 90,726 |
| Employee loans | 184,508 | 43,466 |
| Tax payments (net of provision) | 7,779,143 | 7,294,755 |
| | 8,270,377 | 13,821,372 |

7.1 Inventories

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|--|---------------------|---------------------|
| Raw materials [includes goods-in-transit of ₹ 5,358,843 (2013: ₹ 3,048,532)] | 18,897,567 | 18,941,809 |
| Work-in-progress (Electronic Circuit Boards and Micro Assemblies) | 605,242 | 1,097,462 |
| Finished goods | 858,505 | 2,032,437 |
| Stores and spares | 1,121,068 | 1,771,628 |
| | 21,482,382 | 23,843,336 |

7.2 Trade receivables
(Unsecured and considered good)

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|---|---------------------|---------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | 521,243 | 466,644 |
| Other trade receivables | 31,770,308 | 31,954,944 |
| | 32,291,551 | 32,421,588 |

7.3 Cash and bank balances

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|----------------------------------|---------------------|---------------------|
| Cash and cash equivalents | | |
| - Balance with banks | 4,496,097 | 16,723,296 |
| - Cash on hand | 21,489 | 14,003 |
| - Short-term deposits with banks | - | 5,500,000 |
| | 4,517,586 | 22,237,299 |

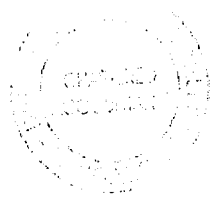
7.4 Short-term loans and advances
(Unsecured and considered good)

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|-------------------------------------|---------------------|---------------------|
| Employee loans | 289,247 | 374,347 |
| Advances to suppliers | 614,467 | 936,357 |
| Prepaid expenses | 1,659,557 | 2,132,105 |
| Balance with government authorities | 6,103,717 | 1,610,154 |
| | 8,666,988 | 5,052,963 |

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TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

7.5 Other current assets

(Unsecured and considered good)

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|------------------------------|---------------------|---------------------|
| Interest accrued on deposits | - | 8,815 |
| | - | 8,815 |

8.1 Revenue from operations (gross)

Amount (₹)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Sale of products (Electronic Circuit Boards and Micro Assemblies) | 248,422,163 | 288,193,829 |
| Other operating revenue (Scrap sale and job work) | 5,264,049 | 3,205,226 |
| | 253,686,212 | 291,399,055 |

Excise Duty of ₹ 22,627,401/- (2013: ₹ 27,375,350) 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 | 404,569 | 1,194,177 |
| Exchange difference (net) | 1,928,660 | - |
| | 2,333,229 | 1,194,177 |

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

Amount (₹)

| Particulars | Current Year | Previous Year |
|---------------------|--------------|---------------|
| Finished goods | | |
| - Closing stock | 858,505 | 2,032,437 |
| - Opening stock | 2,032,437 | 571,048 |
| | 1,173,932 | (1,461,389) |
| Work-in-progress | | |
| - Closing stock | 605,242 | 1,097,462 |
| - Opening stock | 1,097,462 | 1,812,010 |
| | 492,220 | 714,548 |
| Decrease/(increase) | 1,666,152 | (746,841) |

10 Employee benefits expense

Amount (₹)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Salaries and wages | 51,046,105 | 42,708,164 |
| Contribution to provident fund (Refer note: 18) | 2,652,528 | 2,469,901 |
| Gratuity (Refer note: 18) | 474,589 | 2,445,483 |
| Staff welfare expense | 5,243,525 | 5,431,147 |
| | 59,416,747 | 53,054,695 |

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TITAN TIMEPRODUCTS LIMITED**Notes forming part of the financial statements****11 Finance costs**

| Particulars | Amount (₹) | |
|-------------------------------|--------------|---------------|
| | Current Year | Previous Year |
| Interest expense on borrowing | 5,439 | - |
| | 5,439 | - |

12 Other expenses

| Particulars | Amount (₹) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Consumption of stores and spare parts | 11,755,990 | 9,249,929 |
| Power and fuel | 3,899,039 | 3,630,680 |
| Increase / (decrease) of excise duty on inventory | (167,442) | 201,031 |
| Rent | 32,500 | 32,500 |
| Repairs and maintenance - Building | 377,284 | 1,059,447 |
| Repairs and maintenance - Machinery | 4,793,915 | 4,184,007 |
| Selling and distribution expenses | 4,612,012 | 4,291,983 |
| Insurance | 444,368 | 332,108 |
| Rates and taxes | 43,462 | 37,388 |
| Legal and professional | 22,166,431 | 14,241,160 |
| Travelling and conveyance | 3,318,633 | 2,565,057 |
| Security services | 2,576,297 | 1,745,896 |
| Loss on assets sold/ discarded | 249,506 | 90,495 |
| Trade receivables and advances written-off | 73,867 | 486,895 |
| Provision for doubtful trade receivables and advances written back | - | (486,895) |
| | 73,867 | - |
| Payment to auditors* | 1,165,000 | 1,204,135 |
| Exchange difference (net) | - | 297,515 |
| General expenses | 4,204,157 | 4,196,209 |
| | 59,545,019 | 47,359,540 |

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

| Particulars | Amount (₹) | |
|---------------------------|--------------|---------------|
| | Current Year | Previous Year |
| For audit | 900,000 | 900,000 |
| For taxation matters | 225,000 | 225,000 |
| Reimbursement of expenses | 40,000 | 79,135 |
| | 1,165,000 | 1,204,135 |

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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 | 15,522,780 | 24,585,701 |
| Others | 302,114 | 280,386 |

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

Amount (₹)

| Particulars | As at 31-03-2014 | As at 31-03-2013 |
|----------------------|---------------------|---------------------|
| - on capital account | 1,105,904 | 28,261,383 |
| - others | 15,054,358 | 16,984,292 |
| | 16,160,262 | 45,245,675 |

15 Non-fund based facilities availed of ₹ 1,443,977/- (2013: ₹ 609,000) 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 | 85,669,420 | 67 | 90,497,342 | 63 |
| - Customs duties | 1,344,209 | 1 | 1,276,388 | 1 |
| | 87,013,629 | 68 | 91,773,730 | 64 |
| Indigenous | 40,900,247 | 32 | 51,441,029 | 36 |
| | 127,913,876 | 100 | 143,214,759 | 100 |

17 Value of imports on CIF basis

Amount (₹)

| Particulars | Current Year | Previous Year |
|------------------------------|--------------|---------------|
| Raw materials and components | 86,536,424 | 88,394,346 |
| Stores and spares | 1,193,238 | 1,048,208 |
| Capital goods | 29,950,019 | 11,101,369 |

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 | 2,652,528 | 2,469,901 |



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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 | 14,652,651 | 14,178,062 |
| 2 | Fair value of plan assets | - | - |
| 3 | (Deficit) / surplus | (14,652,651) | (14,178,062) |
| 4 | Net asset / liability | | |
| | -Assets | - | - |
| | - Liabilities | | |
| | Current | 482,623 | 401,069 |
| | Non-current | 14,170,028 | 13,776,993 |
| | Total liabilities | 14,652,651 | 14,178,062 |
| II | Expense recognized in the statement of profit and loss (under the head "Employee benefits expense" Refer Note: 10) | | |
| 1 | Current service cost | 805,857 | 682,662 |
| 2 | Interest on defined benefit obligation | 1,197,454 | 1,038,365 |
| 3 | Net actuarial losses/ (gains) recognized during the year | (1,528,722) | 724,456 |
| 4 | Past service cost | - | - |
| | Total | 474,589 | 2,445,483 |
| | Actual return on plan assets | - | - |
| III | Change in present value of obligation | | |
| 1 | Opening defined benefit obligation | 14,178,062 | 11,856,779 |
| 2 | Current service cost | 805,857 | 682,662 |
| 3 | Interest cost | 1,197,454 | 1,038,365 |
| 4 | Actuarial losses/ (gains) | (1,528,722) | 724,456 |
| 5 | Benefits paid | - | (124,200) |
| 6 | Past service cost | - | - |
| 7 | Closing defined benefit obligation | 14,652,651 | 14,178,062 |
| IV | Principal actuarial assumptions | | |
| | Discount rate | 9.20% p.a. | 8.10% p.a. |
| | Expected rate of return on plan assets | - | - |
| | Salary escalation | 7.00% p.a. | 7.00% 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 | | | | |
| | 31-03-2014 | 31-03-2013 | 31-03-2012 | 31-03-2011 | 31-03-2010 |
| Defined benefit obligation | 14,652,651 | 14,178,062 | 11,856,779 | 8,765,035 | 6,877,971 |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | (14,652,651) | (14,178,062) | (11,856,779) | (8,765,035) | (6,877,971) |
| Experience adjustment on plan liabilities | 916,664 | 119,168 | 1,708,671 | 326,176 | (169,689) |
| Experience adjustment on plan assets | - | - | - | - | - |



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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 31-03-2014 | As at 31-03-2013 |
| Compensated absences | | |
| - Current | 715,722 | 600,428 |
| - Non-current | 8,724,720 | 8,296,204 |
| | 9,440,442 | 8,896,632 |

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/(loss) after tax for the year | (28,236,481) | 9,989,108 |
| Weighted average number of equity shares | 2,209,760 | 1,927,226 |
| Nominal value of shares | 10 | 10 |
| Earnings per share - Basic and diluted | (12.78) | 5.18 |

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 2014 | 237,861,318 | 15,824,894 | 253,686,212 |
| | 31 st March 2013 | 266,532,968 | 24,866,087 | 291,399,055 |

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:

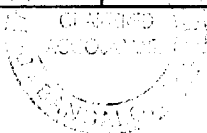
As at 31-03-2014

| Particulars | ₹ | € | \$ | £ | ¥ | SF |
|-----------------------|-----------|-------|--------|-------|-----------|----|
| Assets | | | | | | |
| Trade receivables | - | - | - | - | - | - |
| Loans and advances | 1,355,211 | - | 22,617 | - | - | - |
| Payables | | | | | | |
| Trade payables | 8,075,791 | 8,550 | 82,957 | 9,463 | 2,490,000 | - |
| Advance from customer | 65,912 | - | 1,100 | - | - | - |

As at 31-03-2013

| Particulars | ₹ | € | \$ | £ | ¥ | SF |
|-----------------------|-----------|-------|--------|---|---------|-------|
| Assets | | | | | | |
| Trade receivables | 3,744,943 | - | 68,968 | - | - | - |
| Loans and advances | 784,961 | 3,275 | 10,258 | - | - | - |
| Payables | | | | | | |
| Trade payables | 2,046,476 | - | 27,327 | - | 600,000 | 3,800 |
| Advance from customer | 59,741 | - | 1,100 | - | - | - |

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TITAN TIMEPRODUCTS LIMITED

Notes forming part of the financial statements

22 Name of related parties and description of relationship:

- a) Holding Company : Titan Company Limited (formerly Titan Industries Limited)
 b) Key Management personnel : Mr. R. Vivekanandah, Director (from 31st March 2013)
 Mr. N. Kailasanathan, Director (up to 31st March 2013)

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 2014 | 5,396,789 | - | 5,396,789 |
| | 31 st March 2013 | 6,921,404 | - | 6,921,404 |
| Purchase of fixed assets | 31 st March 2014 | 369,035 | - | 369,035 |
| | 31 st March 2013 | 93,658 | - | 93,658 |
| Sale of goods | 31 st March 2014 | 124,998,458 | - | 124,998,458 |
| | 31 st March 2013 | 154,461,026 | - | 154,461,026 |
| Sale of fixed assets | 31 st March 2014 | 592,381 | - | 592,381 |
| | 31 st March 2013 | - | - | - |
| Reimbursement of expenses | 31 st March 2014 | 6,048 | - | 6,048 |
| | 31 st March 2013 | 1,448,179 | - | 1,448,179 |
| Reimbursement of services | 31 st March 2014 | 19,589,843 | - | 19,589,843 |
| | 31 st March 2013 | 15,167,826 | - | 15,167,826 |
| Subscription to equity share capital (including premium) | 31 st March 2014 | 22,500,000 | - | 22,500,000 |
| | 31 st March 2013 | 2,500,000 | - | 2,500,000 |
| Subscription to Zero coupon unsecured optionally convertible bond | 31 st March 2014 | - | - | - |
| | 31 st March 2013 | 25,000,000 | - | 25,000,000 |
| Sitting fee | 31 st March 2014 | 42,000 | - | 42,000 |
| | 31 st March 2013 | 45,000 | - | 45,000 |

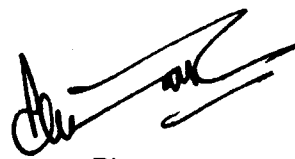
Balances as on balance sheet date

| | Year ended | Amount (₹) |
|-------------------|-----------------------------|-----------------|
| | | Holding company |
| Trade receivables | 31 st March 2014 | 11,126,433 |
| | 31 st March 2013 | 11,937,299 |
| Trade payables | 31 st March 2014 | 3,000,000 |
| | 31 st March 2013 | - |

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



Director



Director

Place : Bangalore

Date : April 26, 2014