

Secaud/09-10/

COMPLIANCE CERTIFICATE

The Members
Titan Properties Limited
No. 3, SIPCOT Industrial Complex,
Hosur – 63512
Tamil Nadu

Reg. No. 18/3557
AGM Date:

I have examined the registers, records, books and papers of Titan Properties Limited (the Company) as required to be maintained under the Companies Act 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010, 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 registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed, and with additional fees wherever there has been a delay in filing as required under this Act and the rules made thereunder.
3. The Company being Limited Company has the minimum prescribed paid-up capital and its maximum number of members during the financial year was 7 (Seven) excluding its present and past employees and the Company during the year under scrutiny.
4. The Board of Directors duly met 4 (Four) times on dates mentioned below in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.



Sl. No	Quarter	Date
1.	First (April -June)	24 th April 2009
2.	Second (July-September)	30 th September 2009
3.	Third (October -December)	21 st December 2009
4.	Fourth (January- March)	24 th March 2010

5. The Company is not required to close its Register of Members.
6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 21st August 2009 after giving due notice to the members of the Company and the resolutions passed thereafter were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred in Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. There were transactions that has been entered in the Register of Companies and firms in which Directors are interested, maintained under Section 301(1) of the Act.
11. As there are 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 Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.



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13. The Company has:

- (i) Delivered all the certificates on allotment and lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act, 1956.
- (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
- (iii) Not declared dividend during the financial year hence the postage of Warrants for dividends does not rise.
- (iv) No unclaimed or unpaid dividend account application money due for refund, matured deposits, matured debentures and the interest accrued thereon, hence the transfer of unclaimed or unpaid does not arise.
- (v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been duly made.

15. The Company has not appointed any Managing Director/Whole Time Director /Manager during the financial year.

16. The Company has not appointed any sole selling agents during the year.

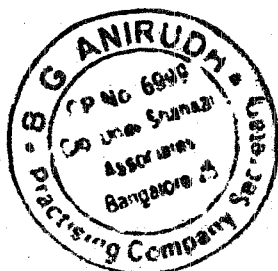
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year under consideration.

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 there under and the same has been recorded in the register maintained under Section 301(3) of the Act.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. There was no redemption of preference Shares/debentures during the year, since the Company has not issued preference Shares/debentures.



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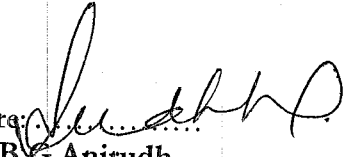
22. There were no transactions, necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provision of the Act.
23. The Company has not invited and accepted any deposits falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any loans during the financial year under the provisions of Section 293(1)(d).
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate necessitating making necessary entries in the register kept for the purpose.
26. The Company has not altered any of the provisions of the Memorandum with respect to 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 with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum 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 financial year under consideration.
31. There was no prosecution initiated against or 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 money as security from its employees during the year under certification.

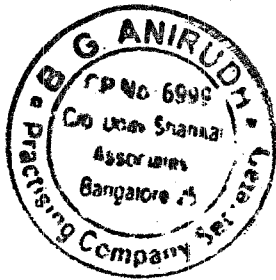


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33. The provisions of Section 418 is not applicable to the Company.

Place: Bangalore
Date: 16th April 2010

Signature: 
Name: **B G Anirudh**
Company Secretary
C. P. No.: 6999



ANNEXURE A

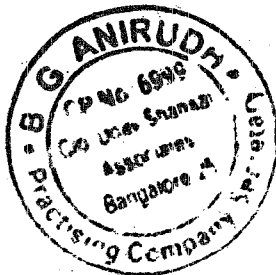
Registers maintained by the Company

Sl. No	Name of Register	Applicable Sections of the Companies Act,
1	Register of Members	150
2	Register of Transfer	108
3	Register of Directors, Manager /Secretaries	303
4	Register of Directors Shareholding	307
5	Register of Contracts	279,299 and 301
6	Register of Charges	143(1)
7	Register of Common Seal	34 with Table A
8	Register of Companies in which Directors are interested 301(3)	301(3)
9	Register of Investments	49(7), 372(5)
10	Register of Deposits	Rule 7

ANNEXURE B

Forms and Return as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2010.

Sl. No	Form No	Filed u/s	Particulars	Due Date of filing	Date filed	Rec No	Delay Y/N
1.	32	303(2)	Regularization of a Director	20/09/09	28/08/09	A68151554	N
2.	23AC &ACA	210	Balance Sheet & P&L	20/09/09	03/09/09	P34262832	N
3.	66	383A	Compliance Certificate	20/09/09	28/08/09	P34105338	N
4.	20B	159	Annual Return	20/10/09	20/10/09	P36561884	N



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**AUDITORS' REPORT
TO THE MEMBERS OF
TITAN PROPERTIES LIMITED**

1. We have audited the attached Balance Sheet of **TITAN PROPERTIES LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

AA. ✓

**Deloitte
Haskins & Sells**

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.008072S)

B. Ramaratnam

B. Ramaratnam
Partner
(Membership No.21209)

Bangalore, April 27, 2010

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ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business, activities and results clauses (i), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) (a) As explained to us, inventories (land) are physically verified 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) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company had granted inter-corporate deposits in earlier years. At the year end, the outstanding balance of such loans granted and the maximum amount involved during the year was Rs. Nil and Rs. 290 lakhs respectively.
 - b) The rate of interest and other terms and conditions on which inter-corporate deposits had been granted is, in our opinion, prima facie not prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, 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. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) There are no contracts or arrangements that are required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vi) 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, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, if any, applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no arrears of undisputed statutory dues as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - (b) There are no disputed 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, 2010 on account of any dispute.

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Deloitte Haskins & Sells

- (vii) 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 not been used during the year for long-term investment.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.008072S)

B. Ramaratnam

B. Ramaratnam
Partner
(Membership No.21209)

Bangalore, April 27, 2010

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TITAN PROPERTIES LIMITED

Balance Sheet as at 31 March 2010

	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Sources of funds			
Shareholders' funds			
Share capital	A	3,350,200	3,350,200
Reserves and surplus Balance in Profit and Loss Account		38,838,694	37,886,067
Total		42,188,894	41,236,267
Application of funds			
Current assets, loans and advances			
Inventories	B	31,756,257	3,287,004
Cash and bank balances	C	30,010,772	1,787,446
Loans and advances	D	16,060,949	37,492,311
		<u>77,827,978</u>	<u>42,566,761</u>
Less:			
Current liabilities and provisions			
Current liabilities	E	35,639,084	1,330,494
Provisions		-	-
		<u>35,639,084</u>	<u>1,330,494</u>
Net current assets		42,188,894	41,236,267
Total		42,188,894	41,236,267
Notes	F		

The Schedules referred to above form an integral part of the balance sheet

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam

B. Ramaratnam
Partner

[Signature]

Director

[Signature]

Director

Place: Bangalore

Date: 27-4-2010

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TITAN PROPERTIES LIMITED

Profit and Loss Account for the year ended 31 March 2010

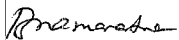
Income	Schedule	Current Year Rs.	Previous Year Rs.
Income from sale of properties		-	269,396,820
Interest on deposits (Tax deducted at source Rs. 181,142; Previous Year: Rs. 531,065)		1,523,640	2,661,064
Total		1,523,640	272,057,884
Expenditure			
Bank charges		2,568	447
Legal and professional charges		75,000	1,568,306
Development Expenses		28,469,253	92,132
Preliminary expenses charged off		-	133,087
Interest on Inter corporate deposits		-	20,696
Auditors' remuneration		60,665	27,575
Rates and taxes		5,780	4,500
		28,613,266	1,846,743
Less: (Increase)/Decrease in contract work in progress			
Closing contract work in progress	31,756,257		3,287,004
Opening contract work in progress	3,287,004		215,623,461
		(28,469,253)	212,336,457
		144,013	214,183,200
Profit for the year before tax		1,379,627	57,874,684
Provision for Tax			
Current Tax		427,000	19,403,000
Deferred Tax		-	269,225
Profit after tax		952,627	38,202,459
Profit Brought forward		37,886,067	(316,392)
Balance carried to balance sheet		38,838,694	37,886,067
Notes	F		
Earnings per share - basic and diluted		2.84	114.03

The Schedules referred to above form an integral part of the profit and loss account

In terms of our report attached

For and on behalf of the Board of Directors

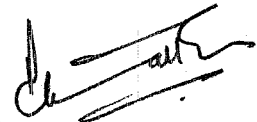
For Deloitte Haskins & Sells
Chartered Accountants



B. Ramaratnam
Partner



Director



Director

Place: Bangalore
Date: 27-4-2010



TITAN PROPERTIES LIMITED

Cash flow statement for the year ended March 31, 2010

	Current Year	Amount in Rupees Previous Year
Cash flow from operating activities		
Net profit before tax	1,379,627	57,874,684
Adjustments for :		
- Interest income	(1,523,640)	(2,661,064)
- Interest expenses	-	20,696
Preliminary expenses written off	-	133,087
Operating profit before working capital changes	(144,013)	55,367,403
Adjustments for :		
- (Increase)/Decrease in inventories	(28,469,253)	212,336,457
- (Increase)/Decrease in loans and advances	4,545,817	(4,532,318)
- Increase/(Decrease) in current liabilities and provisions	34,308,590	(216,833,359)
Cash generated from operations	10,241,141	46,338,183
- Direct taxes paid	(12,387,346)	(16,142,877)
Net cash used in operating activities	A	30,195,306
Cash flow from investing activities		
- Inter-Corporate deposits placed	-	(29,000,000)
- Inter-Corporate deposits refunded	29,000,000	-
- Interest received	1,369,531	2,661,064
Net cash from investing activities	B	(26,338,936)
Cash flow from financing activities		
- Borrowings repaid	-	(2,100,000)
- Interest paid	-	(20,696)
Net cash from/(used in) financing activities	C	(2,120,696)
Net cash flows during the year (A+B+C)	28,223,326	1,735,674
Cash and cash equivalents (opening balance)	1,787,446	51,772
Cash and cash equivalents (closing balance)	30,010,772	1,787,446
Increase / (decrease) in cash and cash equivalents	28,223,326	1,735,674

Per our report attached to the Balance Sheet

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells,
Chartered Accountants

B. Ramaratnam

B. Ramaratnam
Partner

[Signature]

Director

[Signature]

Director

Place: *Bangalore*

Date: *27-4-2010*

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TITAN PROPERTIES LIMITED
Schedules forming part of the Balance Sheet

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
'A' Share capital		
Authorised		
5,000,000 equity shares of Rs.10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued and subscribed		
335,020 equity shares of Rs.10 each fully paid up	<u>3,350,200</u>	<u>3,350,200</u>
All the above equity shares are held by Titan Industries Limited, the Holding Company and its nominees (Previous Year : 335,000 equity shares were held by Titan Industries Limited and 9 equity shares were held by subsidiaries of Titan Industries Limited)	<u>3,350,200</u>	<u>3,350,200</u>
'B' Inventories		
Contract work in progress	<u>31,756,257</u>	<u>3,287,004</u>
	<u>31,756,257</u>	<u>3,287,004</u>
'C' Cash and Bank balances		
Balance with scheduled bank - in current accounts	510,772	1,787,446
- in deposit accounts	29,500,000	-
	<u>30,010,772</u>	<u>1,787,446</u>
'D' Loans and advances (unsecured and considered good)		
Amount recoverable in cash or in kind or for value to be received	611,793	34,003,501
Tax payments, net of provisions	<u>15,449,156</u>	<u>3,488,810</u>
	<u>16,060,949</u>	<u>37,492,311</u>
'E' Current liabilities and Provisions		
Current liabilities		
Sundry creditors		
-Dues to micro enterprises and small enterprises	-	-
-Others	6,328,984	130,494
Advances from customers	<u>29,310,100</u>	<u>1,200,000</u>
Provisions	-	-
	<u>35,639,084</u>	<u>1,330,494</u>

Handwritten initials/signature

TITAN PROPERTIES LIMITED

Schedule forming part of the accounts

'F' Notes to the accounts

1. 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 and with the relevant provisions of the Companies Act, 1956.
2. Significant accounting policies:
 - (a) Inventory comprises property under development (contract work in progress). Contract work in progress is valued at lower of full absorption cost and net realisable value. Cost comprises of cost of land and development expenses.
 - (b) Income from sale of developed property is recognised when title to property passes to the buyer.
 - (c) Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.
 - (d) 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 recognized, 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.

3. The Company has no stocks of finished goods, raw materials, stores & spare parts and loose tools as on 31st March 2010.
4. Earnings Per Share

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

(all figures in rupees except number of shares)

	Year ended March 31, 2010	Year ended March 31, 2009
Profit after tax for the year	952,627	38,202,459
Weighted average number of equity shares	335,020	335,020
Nominal value per share	10.00	10.00
Earnings per share - Basic and diluted	2.84	114.03

5. There is no deferred tax asset / (liability) as on 31st March 2010.
6. Related Party Disclosures :

Names of related parties and description of relationship:

- a) Holding company : Titan Industries Limited
- b) Fellow subsidiaries : Tanishq India Limited
: Titan Mechatronics Limited (Upto 30th March 2010)
- c) Key management personnel : None

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TITAN PROPERTIES LIMITED

Schedule forming part of the accounts

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

Name of the Related party	Nature of relationship	Amount in Rupees				
		Reimbursement of expenses	Interest expenses	Inter corporate deposits placed	Inter corporate deposits repaid/refunded	Interest income
Titan Industries Limited	Holding company	13,112,065 (20,562,961)	- (-)	- (49,500,000)	29,000,000 (20,500,000)	66,740 (2,343,616)
Titan Mechatronics Limited	Associate	- (-)	- (-)	- (-)	- (500,000)	- (-)
	Fellow subsidiary	- (-)	- (14,466)	- (-)	- (-)	- (-)
Tanishq (India) Limited	Fellow Subsidiary	- (-)	- (5,704)	- (-)	- (1,600,000)	- (-)

Previous year's figures are shown in brackets.

Balance as on balance sheet date

	Amount in Rupees
	Holding company
Due from	- (29,000,000)

- Auditors remuneration comprises of fees for audit of statutory accounts Rs.25,000 (2009: Rs.25,000), taxation matters Rs. 30,000 (2009: Nil) and reimbursement of levies and expenses Rs.5,665 (2009: Rs. 2,575)
- The information given in "Current Liabilities" in Schedule E 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.
- Previous year's figures have been regrouped / recast, wherever necessary to conform to current year's classification.

Signature to Schedule: 'A' to 'F'

For and on behalf of the Board of Directors,

Place: Bangalore
Date: 27-4-2010


Director


Director

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