

Independent Auditor's Report

To the Members of Titan Engineering & Automation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Titan Engineering & Automation Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Titan Engineering & Automation Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

Titan Engineering & Automation Limited

- 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 38(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 38(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.

Independent Auditor's Report (Continued)

Titan Engineering & Automation Limited

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- ☐ The feature of audit trail was not enabled from 1 April 2023 to 30 April 2023 at the database layer of the accounting software relating to revenue, accounts payable, accounts receivable, fixed assets and general ledger.
- ☐ The feature of audit trail was not enabled at the application layer of the accounting software for data changes performed by users having privileged access relating to revenue, accounts payable, accounts receivable, fixed assets and general ledger.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- C. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Amit Aggarwal

Partner

Place: Bengaluru

Date: 03 May 2024

Membership No.: 521774

ICAI UDIN:24521774BKHRGF7374

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (In lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company . Also indicate if in dispute
Land (Located at Hosur and Muduganapalli)	672	Titan Company Limited	Promoter	From 24 March 2015 (Date of Incorporation)	Refer note below
Buildings (Located at Hosur and Muduganapalli)	7,021	Titan Company Limited	Promoter	From 24 March 2015 (Date of Incorporation)	Refer note below

The title deeds of land amounting to INR 672 lakhs and building constructed on the land is in the name of Titan Company Limited. The Company had demerged from Titan Company Limited under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court of Madras vide order dated 13 February 2017.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024 (Continued)

- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to other parties during the year, details of the loan is stated in sub-clause (a) as below. The Company has not provided any loans, secured or unsecured, to companies, firms or limited liability partnerships during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to employees as below:

Particulars	Guarantees (In lakhs)	Security (In lakhs)	Loans (In lakhs)	Advances in nature of loans (In lakhs)
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	284	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	458	-

*As per the Companies Act, 2013

(Signature)

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024
(Continued)**

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made any investments, provided any guarantees, securities and advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities except slight delays in case of professional taxes.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Central Excise, Service Tax, VAT Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs a Cess and other statutory dues which have not been deposited on account of disputes, except for the following:

statute/Nature of the dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise, Service Tax and VAT	310	July 2017 to March 2020	Commissioner of GST & Central Excise (Appeals)

*the amount disclosed is excluding interest and penalties, wherever applicable.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. Further, the Company does not have any associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary company (as defined under the Act). Further, the Company does not have any associates or joint ventures.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024
(Continued)**

Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary of Titan Company Limited and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2024
(Continued)**

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Amit Aggarwal

Partner

Place: Bengaluru

Date: 03 May 2024

Membership No.: 521774

ICAI UDIN:24521774BKHRGF7374

Annexure B to the Independent Auditor's Report on the financial statements of Titan Engineering & Automation Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Titan Engineering & Automation Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Titan Engineering & Automation Limited for the year ended 31 March 2024
(Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022

Amit Aggarwal

Partner

Place: Bengaluru

Date: 03 May 2024

Membership No.: 521774

ICAI UDIN:24521774BKHRGF7374

Titan Engineering & Automation Limited
Balance sheet as at 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	25,141	18,596
Capital work-in-progress	3.2	422	795
Right-of-use assets	4	1,839	367
Intangible assets	5	152	133
Financial assets			
(i) Investments	6.1	-	-
(ii) Loans	6.2	244	269
(iii) Other financial assets	6.3	478	328
Income tax assets (net)	16	200	160
Other non-current assets	7	259	48
Total non-current assets		28,735	20,696
Current assets			
Inventories	8	22,014	15,684
Financial assets			
(i) Investments	9.1	3,035	2,071
(ii) Trade receivables	9.2	17,315	13,284
(iii) Cash and cash equivalents	9.3	451	761
(iv) Bank balances other than (iii) above	9.3	12	811
(v) Loans	9.4	214	160
(vi) Other financial assets	9.5	276	729
Other current assets	10	23,370	3,608
Total current assets		66,687	37,108
TOTAL ASSETS		95,422	57,804
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,705	4,705
Other equity	12	38,125	31,671
Total equity		42,830	36,376
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13.1	3,300	-
(ii) Lease liabilities	13.2	1,515	179
(iii) Other financial liabilities	13.3	262	-
Other non current liabilities	14	713	-
Provisions	15	2,241	1,706
Deferred tax liabilities (net)	16	348	323
Total non-current liabilities		8,379	2,208
Current liabilities			
Financial liabilities			
(i) Borrowings	17.1	15,016	4,500
(ii) Lease liabilities	17.2	338	196
(iii) Trade payables	17.3		
- Total outstanding dues of micro and small enterprises		731	750
- Total outstanding dues of other than micro and small enterprises		7,470	3,721
(iv) Other financial liabilities	17.4	2,303	2,644
Other current liabilities	18	16,967	6,560
Provisions	19	860	839
Current tax liabilities (net)	16	528	10
Total current liabilities		44,213	19,220
TOTAL EQUITY AND LIABILITIES		95,422	57,804

Significant accounting policies 2

See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022


Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 3 May 2024

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC031232)

			
N P Sridhar Whole-time Director & CEO	Ashok Sonthalia Director	Balamurugan B Chief Financial Officer	Sariga P Gokul Company Secretary
DIN : 03375241	DIN : 03259683	M.No : 216020	M.No : A39637
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 30 April 2024	Date: 30 April 2024	Date: 30 April 2024	Date: 30 April 2024

Titan Engineering & Automation Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	20	75,562	50,963
Other income	21	467	86
Total income		76,029	51,049
Expenses:			
Cost of materials consumed		43,128	22,067
Change in inventories of finished goods, stock-in-trade and work-in-progress	22	(3,070)	3,763
Employee benefits expense	23	14,463	12,453
Finance costs	24	1,148	260
Depreciation and amortisation expense	25	3,174	2,313
Other expenses	26	8,542	7,628
Total expenses		67,385	48,484
Profit before tax		8,644	2,565
Tax expense:			
Current tax	16	2,193	955
Tax pertaining to previous years		-	(252)
Deferred tax		25	(278)
Total tax		2,218	425
Profit for the year		6,426	2,140
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of the employee defined benefit plans		37	(320)
- Income tax on above		(9)	81
Total other comprehensive income		28	(239)
Total comprehensive income for the year		6,454	1,901
Earnings per equity share of INR 10: Basic and diluted (Rs.)	28	13.66	4.55

Significant accounting policies

2

See accompanying notes to the financial statements

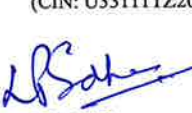
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for **B S R & Co. LLP**
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Firm Registration No.: 101248W/W-100022



Amit Aggarwal
Partner

Membership No : 521774

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021232)


N P Sridhar
Whole-time
Director & CEO
DIN : 03375241


Ashok Sonthalia
Director
DIN : 03259683


Balamurugan B
Chief Financial Officer
M.No : 216020


Sariga P Gokul
Company Secretary
M.No : A39637

Place: Bengaluru
Date: 3 May 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Titan Engineering & Automation Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
(a) Equity share capital		
Opening balance	4,705	4,705
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Closing balance	4,705	4,705

(b) Other equity

Particulars	Reserves and surplus		Items of other comprehensive income (refer note 12)	Total other equity
	Securities premium	Retained earnings		
Balance as at 1 April 2022	18,754	11,147	(131)	29,770
Profit for the year (net of taxes)	-	2,140	-	2,140
Other comprehensive income for the year (net of taxes)	-	-	(239)	(239)
Balance as at 31 March 2023	18,754	13,287	(370)	31,671
Balance as at 1 April 2023	18,754	13,287	(370)	31,671
Profit for the year (net of taxes)	-	6,426	-	6,426
Other comprehensive income for the year (net of taxes)	-	-	28	28
Balance as at 31 March 2024	18,754	19,713	(342)	38,125

Significant accounting policies

2

See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Amit Aggarwal
Partner

Membership No : 521774

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021232)



N P Sridhar
Whole-time Director &
CEO
DIN: 03375241



Ashok Sonthalia
Director
DIN: 03259683



Balamurugan B
Chief Financial Officer
M.No : 216020



Sariga P Gokul
Company Secretary
M.No : A39637

Place: Bengaluru
Date: 3 May 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
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Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax	8,644	2,565
<i>Adjustments for:</i>		
Depreciation and amortisation	3,174	2,313
Loss on sale/ disposal/ scrapping of property, plant and equipment (net)	2	31
Finance costs	1,148	260
Allowance for doubtful trade receivables/advances	89	171
Income from trade investments	(97)	(30)
Interest income on demand deposits	(6)	(4)
Net exchange differences (unrealised)	(177)	508
Government grants	(34)	-
Employee stock compensation expense	262	-
(gain) on preclosure of lease contracts	(39)	-
(gain) arising on fair valuation of employee loans, leases and investments	(25)	(8)
	<u>12,941</u>	<u>5,806</u>
Change in operating assets and liabilities		
(Increase) in trade receivables	(4,242)	(1,231)
(Increase)/Decrease in inventories	(6,330)	508
Decrease/(Increase) in other financial assets and loans	398	(419)
(Increase) in other assets	(19,760)	(657)
Increase in trade payables	3,746	695
Increase in provisions	593	537
(Decrease)/Increase in other financial liabilities	(549)	28
Increase in other non current liabilities	713	-
Increase/(Decrease) in other current liabilities	<u>10,441</u>	<u>(1,345)</u>
Cash used in operations	<u>(14,990)</u>	<u>(1,884)</u>
Income taxes paid, net	(1,724)	(899)
Net cash generated (used in)/from operating activities	A	(3,773)
Cash flows from investing activities		
Purchase of property, plant and equipment including intangibles and capital work in progress	(8,737)	(3,747)
Interest received	6	4
Proceeds from sale of property, plant and equipment	30	49
Bank deposits placed	(1)	(1,817)
Bank deposits matured	800	1,015
Purchase of investments	(867)	(32,748)
Sales of investments	-	30,708
Net cash generated used in investing activities	B	(8,769)
Cash flows from financing activities		
Proceeds from long term borrowings	3,300	-
Proceeds from short-term borrowings	10,516	3,500
Payment of lease liabilities	(419)	(203)
Finance cost paid	<u>(1,148)</u>	<u>(208)</u>
Net cash generated from financing activities	C	12,249
Net decrease in cash and cash equivalents	(A+B+C)	(293)
Cash and cash equivalents at the beginning of the year (refer note 9.3)	761	1,201
Add/ (Less): Unrealised exchange (gain)/ loss	(17)	(16)
Cash and cash equivalents at the end of the year (refer note 9.3)	451	761

9.2.2.

25



Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Debt reconciliation statement in accordance with Ind AS 7		
<i>Borrowings</i>		
Opening balance	4,500	1,000
Proceeds from short term borrowings	10,516	3,500
Proceeds from long term borrowings	3,300	-
Closing balance	<u>18,316</u>	<u>4,500</u>
Reconciliation of Lease liability		
Opening balance	375	547
Payments made during the year	(419)	(203)
Non-cash changes		31
Closing balance	<u>1,897</u>	<u>375</u>

Significant accounting policies

2

See accompanying notes to the financial statements

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 3 May 2024

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021232)



N P Sridhar
Whole-time Director
& CEO
DIN: 03375241



Ashok Sonthalia
Director
DIN: 03259683



Balamurugan B
Chief Financial Officer
M.No : 216020



Sariga P Gokul
Company Secretary
M.No : A39637

Place: Bengaluru
Date: 30 April 2024

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Place: Bengaluru
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Date: 30 April 2024

Titan Engineering & Automation Limited

Material accounting policies and notes to the financial statements for the year ended 31 March 2024

1. Background

Titan Engineering & Automation Limited ('the Company') was incorporated on 24 March 2015 under the Companies Act, 2013 ("the Act") as a 100% subsidiary of Titan Company Limited to carry on the business of precision engineering and automation including acquiring and taking over the whole or part of businesses which the Company is authorized to carry on.

2. Material Accounting Policies

This note provides a list of material accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

i. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

ii. Basis of measurement

The financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- a) Certain financial assets and liabilities.
- b) The defined benefit asset/ (liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iii. Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgement that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates, assumptions and judgement are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual result may differ from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and equipment;
- Note 5 – Useful life of the Intangible assets;
- Note 15 – Valuation of deferred tax liabilities;
- Note 31 – Provisions and contingent liabilities;
- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 34 – Fair value measurement of financial instruments.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

iv. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional and presentation currency of the Company and is rounded off to the nearest lakh except when otherwise indicated.

v. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the Note 34 – financial instruments.

vi. Current/Non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

vii. Revenue and other income recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

a) Sale of goods: Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

vii. Revenue and other income recognition (continued)

Revenues from fixed price contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen. Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.

b) Service income: Service income is recognised on rendering of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods to a customer. The Company assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price is a fixed amount of customer consideration. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

The Company has determined that the revenues as disclosed in Note 20 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

viii. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The nature of expenses related to those leases has changed from lease rent in previous periods to (i) amortization for the right-to-use asset, and (ii) interest accrued on lease liability.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

viii. Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- i) the amount of the initial measurement of lease liability
- ii) any initial direct costs
- iii) restoration costs

Right-of-use assets are depreciated over the lease term on a straight-line basis.

b) Lease Liabilities:

Lease liabilities are measured at present value of following components:

- i) fixed payments less any lease incentives receivable
- ii) amounts expected to be payable by the Company under residual value guarantee

Incremental borrowing rate used for discounting has been determined by taking the interest rates obtained from financial institutions for borrowing the similar value of right of use assets for similar tenure for Titan Company Limited plus 15 basis points considering the nature and associated risk of the business. The rates will be reassessed on a yearly basis at the beginning of each accounting period to reflect changes in financial conditions. In case of finance leases, lease liability is measured using implicit rate.

c) Short-term leases:

The Company applies the short-term lease recognition exemption to its short-term lease contracts (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments for a short-term lease are recognised as expense on a straight-line basis over the lease term.

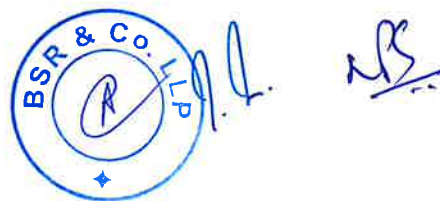
d) Modification/ termination of lease:

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. A corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ix Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

x. Employee benefits

Short Term Employee Benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them 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

Company's contributions to the Superannuation Fund which is managed by a Trust and Pension Fund administered by Regional Provident Fund Commissioner and Company's contribution to National Pension Scheme are charged as an expense based on the amount of contribution required to be made as when services are rendered by the employees.

Defined benefit Plan

The contribution to the Company's Gratuity Trust are provided using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

The contribution to the Titan's Provident Fund Trust is made at predetermined rates and is charged as an expense based on the amount of contribution required to be made as when services are rendered by the employees. The Company in the process of transferring the funds pertaining to the Company from provident fund trust of Titan Company Limited.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

xi. Taxation

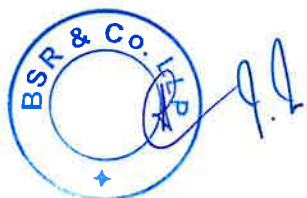
Income tax comprises of Current tax and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in the other comprehensive income.

a) Current tax: The Current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax: Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xi. Taxation (continued)

Deferred tax assets are not recognized, when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in Other Comprehensive Income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

xii. Property, Plant and Equipment

a) Recognition and measurement:

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machine spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xii. Property, Plant and Equipment (continued)

b) Depreciation

Depreciable amount for assets is the cost of an asset, or other substituted for cost, less its estimated residual value. Depreciation is calculated on the basis of the estimated useful lives using the straight line method and is generally recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the year is proportionately charged from/upto the date of disposal. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Free hold is not depreciated.

The estimated useful lives of items of Property, plant and equipment for the current and comparative periods are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Building	30 to 60 years	30 to 60 years
Plant, machinery and equipment	10 to 15 years	10 to 15 years
Computers and servers	3 to 6 years	3 to 6 years
Furniture and Fixtures	5 years	10 years
Office equipment	5 years	5 years
Vehicles	4 years	8 years

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above represents the period over which the management expects to use these assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

Advance paid towards acquisition of fixed assets outstanding at each balance sheet date is disclosed as capital advances under non-current assets.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The cost property, plant and equipment, at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

xiii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent expenditure is capitalized only when it increases the future economic benefits attributable to the asset will flow to the Company and the cost of asset can be measured reliably. All other expenditure is recognized in profit or loss as incurred.

Intangible assets are subsequently stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful life's on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xiii. Intangible assets (continued)

The estimated useful lives of intangible assets are as follows:

Software - License period or 5 years, whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

xiv. Impairment

Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets:

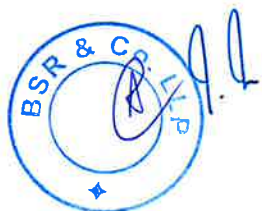
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xiv. Impairment (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

xv. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined as follows:

- a) Stores and spares, loose tools and raw materials are valued on a moving weighted average rate.
- b) Work-in-progress and finished goods are valued on Standard cost method based on the average cost of production for the Aerospace and defense ('A&D') division and based on specific identification method for the Automation Solutions division.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable 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.

Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale.

xvi. Provisions and contingencies

Provisions: A provision is recognized 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount in the present value of those cash flows (when the effect of time value of money is material).

Product warranty expenses: Product warranty costs are determined based on past experience and provided for in the year of sale.

Contingent liabilities: A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xvi. Provisions and contingencies (continued)

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent assets: Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

xvii. Financial instruments

Recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss. A trade receivable without a significant financing component is initially measured at the transaction price

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

- (i) Amortised cost
- (ii) Fair value through other comprehensive income (FVOCI)
- (iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Financial assets carried at amortized cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xvii. Financial instruments (continued)

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

(ii) Financial assets at fair value through comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit and loss

A financial asset that meets the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of the cost of the investment and the amount of dividend can be measured reliably.

B) Financial liabilities: classification and subsequent measurement:

Financial liabilities carried at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at fair value through profit and loss

A financial liability which is not classified in any of the above categories are subsequently carried at fair value through profit or loss.

d) Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. Any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

Financial assets at FVTOCI: Currently, the Company has not elected to present subsequent changes in investments in equity instruments in OCI. Accordingly, the same are considered as investments measured at FVTPL.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xvii. Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. Any gain or loss arising from the derecognition of the financial asset is recognised in the profit and loss statement.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

xviii. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

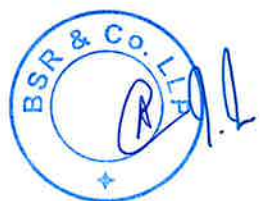
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

xix. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

xx. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



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Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xxi. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

xxii. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Company's primary segment consists of Automation Solutions (previously called 'MBA') and Aerospace and Defence (previously called 'PECSA'). Secondary information is reported geographically.

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Unallocated represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

xxiii. Consolidation

The Company is a wholly owned subsidiary of Titan Company Limited. It is included in the consolidated financial statements of Titan Company Limited which are publicly available. Therefore, the Company is exempt by virtue of Section 129 of the Companies Act 2013 read with Rule 6 of companies Rules, 2014 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

xxiv. Share based payment arrangements

The stock options granted to employees in terms of the holding company's Performance Based Stock Units Scheme, are measured at the fair value of the options as on the grant date. The fair value of the options is accounted as employee compensation cost over the vesting period on a straight-line basis (net of forfeitures) based on the fulfilment of the probability of the performance conditions and employee's requisite service period. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest and if a grant lapses after the vesting period, the cumulative amount recognised as expense in respect of such grant is transferred to the statement of profit and loss. The fair value of the stock options granted to employees of the Company is accounted as a recharge and payable to the holding company.

On modification of an equity settled award, the Company re-estimates the fair value of stock option as on the date of modification and any incremental expense is expensed over the period from the modification date till the vesting date.

The share-based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

The holding company estimates the fair value of stock options using black scholes option pricing model.

xxv. Recent Pronouncements

As on the date of release of these financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.



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3.1 Property, plant and equipment

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and Servers	Furniture and fixtures	Leasehold Improvements	Office equipment	Vehicles	Total
Owned assets	Gross carrying value								
As at 1 April 2022	670	6,685	14,888	1,044	1,354	-	377	287	25,305
Additions	752	158	1,682	386	347	-	92	101	3,518
Disposals	-	-	360	148	136	-	29	99	772
As at 31 March 2023	1,422	6,843	16,210	1,282	1,565	-	440	289	28,051
As at 1 April 2023	1,422	6,843	16,210	1,282	1,565	-	440	289	28,051
Additions	2,159	180	5,376	406	468	360	85	129	9,163
Disposals	-	-	1	51	33	-	7	39	131
Transfers	-	(2)	(9)	-	(1)	14	(2)	-	-
As at 31 March 2024	3,581	7,021	21,576	1,637	1,999	374	516	379	37,083
	Accumulated depreciation								
As at 1 April 2022	-	1,203	5,283	624	631	-	262	132	8,135
Depreciation expense	-	229	1,228	240	204	-	47	64	2,012
Disposals	-	-	331	142	116	-	24	79	692
As at 31 March 2023	-	1,432	6,180	722	719	-	285	117	9,455
As at 1 April 2023	-	1,432	6,180	722	719	-	285	117	9,455
Depreciation expense	-	235	1,612	309	275	26	56	72	2,585
Disposals	-	-	0	48	16	-	5	29	98
Transfers	0	(0)	3	(0)	0	(0)	(3)	0	-
As at 31 March 2024	0	1,667	7,795	983	978	26	333	160	11,942
	Net carrying value								
As at 31 March 2023	1,422	5,411	10,030	560	846	-	155	172	18,596
As at 31 March 2024	3,581	5,354	13,781	654	1,021	348	183	219	25,141

Assets for which title deeds not held in the name of the Company

Financial caption	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Land	672	Titan Company Limited	Promoter	01-Apr-16	Refer note below
Property, plant and equipment	Buildings	7,021	Titan Company Limited	Promoter	01-Apr-16	Refer note below

Note:

(a) The title deeds of land amounting to INR 672 lakhs and building constructed on the land is in the name of Titan Company Limited. The Company had demerged from Titan Company Limited under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court of Madras vide order dated 13 February 2017.

(b) The title deed of balance immovable property except (a) above is held in the name of the Company.

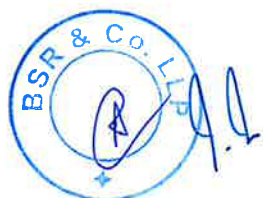
3.2 Capital work-in-progress

Particulars	Capital work-in-progress
As at 1 April 2022	810
Additions	3,518
Capitalisations	3,533
As at 31 March 2023	795
As at 1 April 2023	795
Additions	8,790
Capitalisations	9,163
As at 31 March 2024	422

Capital work-in-progress	As at 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	413	9	-	-	422
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress	As at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	795	-	-	-	795
Projects temporarily suspended	-	-	-	-	-

Note: Company does not have any projects that are delayed or where its cost has exceeded its original budget value.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

4 Right-of-use assets*

Particulars	Buildings	Leasehold Land	Total
As at 1 April 2022	533	252	785
Additions	-	13	13
As at 31 March 2023	533	265	798
As at 1 April 2023	533	265	798
Additions	2,163	-	2,163
Modifications / terminations	(450)	(265)	(715)
As at 31 March 2024	2,246	-	2,246
Accumulated amortisation			
As at 1 April 2022	104	143	247
Amortisation expense	127	57	184
As at 31 March 2023	231	200	431
As at 1 April 2023	231	200	431
Amortisation expense	460	4	464
Modifications / terminations	(284)	(204)	(488)
As at 31 March 2024	407	-	407
Net carrying value			
As at 31 March 2023	302	65	367
As at 31 March 2024	1,839	-	1,839

*Also, refer note 30.

5 Intangible assets

Particulars	Computer softwares	Total
Owned assets	Gross carrying value	
As at 1 April 2022	453	453
Additions	121	121
Disposals	-	-
As at 31 March 2023	574	574
As at 1 April 2023	574	574
Additions	144	144
Disposals	-	-
As at 31 March 2024	718	718
	Accumulated amortisation	
As at 1 April 2022	324	324
Amortisation expense	117	117
Disposals	-	-
As at 31 March 2023	441	441
As at 1 April 2023	441	441
Amortisation expense	125	125
Disposals	-	-
As at 31 March 2024	566	566
	Net carrying value	
As at 31 March 2023	133	133
As at 31 March 2024	152	152



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

6 Financial assets

6.1 Investments

	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments (unquoted)	-	-
In subsidiary companies (at cost unless stated otherwise) *	-	-

* The Company had incorporated TEAL USA Inc. on 15 April 2021 as a wholly owned subsidiary. The Company has not invested any amount in the subsidiary as at the Balance sheet date.

6.2 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Employee loans	244	269
	<u>244</u>	<u>269</u>

6.3 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Security deposits	369	258
Other assets (includes electricity, telephone deposits)	109	70
	<u>478</u>	<u>328</u>

7 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Capital advances	238	25
Deferred employee cost	21	23
	<u>259</u>	<u>48</u>

8 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials [refer (a) below]	10,735	7,767
Work-in-progress	7,357	4,759
Finished goods	2,341	1,869
Stores and spares	1,581	1,289
	<u>22,014</u>	<u>15,684</u>
a) Included above, goods in transit		
Raw materials	617	297

(i) The cost of inventories recognised as an expense during the period is INR 40,058 lakhs (Previous year : INR 25,830 lakhs).

(ii) The cost of inventories recognised as an expense includes INR 120 lakhs (Previous year: INR 121 lakhs) in respect of write down of inventory to net-realizable value.

(iii) Refer point (xv) under significant accounting policies for mode of valuation.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

9 Financial assets

9.1 Investments

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of units	Amount	No of units	Amount
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Name of the fund				
HSBC Liquid Fund - Growth Direct	31,217	751	-	-
SBI Liquid Fund - DIRECT PLAN -Growth	14,614	552	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	14,93,381	500	-	-
Kotak Equity Arbitrage Fund - Growth - Direct	20,73,967	755	-	-
Axis Overnight Fund - Direct Plan - Growth Option	20,229	256	-	-
SBI Overnight Fund - Direct Plan - Growth	5,658	221	-	-
Aditya Birla Sun Life Liquid Fund - Growth -Direct Plan	-	-	1,24,119	451
Axis Liquid Fund - Direct Plan - Growth Option	-	-	19,860	497
SBI Liquid Fund - DIRECT PLAN -Growth	-	-	5,142	181
BANDHAN LIQUID Fund -Direct Plan-Growth	-	-	14,721	400
Nippon India Overnight Fund - Direct Plan - Growth option	-	-	37,819	46
UTI- Liquid Cash Plan - Direct Plan - Growth Option	-	-	13,452	496
		<u>3,035</u>		<u>2,071</u>
Aggregate value of unquoted investments		3,035		2,071

9.2 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Considered good - unsecured*	17,717	13,630
Less: Allowance for doubtful trade receivables	(402)	(346)
	<u>17,315</u>	<u>13,284</u>

*Includes dues from related parties - refer note 34

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Provision matrix at the end of reporting period is as follows:

Ageing	Expected credit loss (%)	
	Automation Solutions	Aerospace & Defence
Within credit period	2%	1%
Less than 1 year	1%	1%
1 to 2 years	3%	0%
2 to 3 years	22%	70%
3 to 4 years	95%	100%
Over 4 years	100%	100%



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9.2 Trade receivables (Continued)

a) Trade Receivables Ageing Schedule

Particulars	As at 31 March 2024						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered	6,829	7,122	1,906	1,479	204	177	17,717
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	6,829	7,122	1,906	1,479	204	177	17,717
Less: Loss allowance							(402)
Trade Receivables - Net							17,315

Particulars	As at 31 March 2023						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	8,089	3,016	1,363	964	96	102	13,630
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	8,089	3,016	1,363	964	96	102	13,630
Less: Loss allowance							(346)
Trade Receivables - Net							13,284

Movement in the expected credit loss allowance

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	346	216
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	56	130
Balance at the end of the year	402	346

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

9.3 Cash and bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with banks		
- current accounts	451	761
Total cash and cash equivalents	451	761
Other bank balances		
- demand deposits	-	800
- Fixed deposits held as margin money against bank guarantee	12	11
Total other bank balances	12	811
	463	1,572



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

9.4 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Employee loans	214	160
	<u>214</u>	<u>160</u>

9.5 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Derivative instruments other than in designated hedge accounting relationships	99	-
Security deposits	-	61
Other receivables	176	176
Other financial assets (refer note (b) below)	1	492
	<u>276</u>	<u>729</u>

Notes:

(a) There were no loans and advances given to Promoter, Directors, Key Managerial Persons or other Related Parties during the year ended 31 March 2024 and 31 March 2023.

(b) Other financial assets comprises of amount invested in Mutual funds on 31 March 2023 for which the Mutual fund units has been allocated post balance sheet

10 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Advances to suppliers	1,136	1,092
Prepaid expenses	338	194
Balance with government authorities {refer note (i) below}	3,819	2,110
Contract asset {refer note (ii) below}	16,968	-
Others assets (includes travel advances, employee dues)	1,109	212
	<u>23,370</u>	<u>3,608</u>

(i) Balance with revenue authorities includes GST credits of INR 1,915 lakhs (Previous year: INR 1,043 lakhs) in respect to GST input credit, transitional credit and deemed credit.

(ii) Contract asset represents the value of payments for which revenue is recognised over the period of time in excess of billing. Also, refer disclosure made under note 20.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

11 Equity Share capital
Particulars

	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
60,000,000 (Previous year : 60,000,000) equity shares of par value of INR 10 each	6,000	6,000
Issued, subscribed and fully paid-up shares		
47,050,000 (Previous year : 47,050,000) equity shares of par value of INR 10 each	4,705	4,705
	4,705	4,705

a) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of INR 10. Each holder of equity share 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, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
<i>Equity shares with voting rights</i>				
At the beginning of the year	4,70,50,000	4,705	4,70,50,000	4,705
At the end of the year	4,70,50,000	4,705	4,70,50,000	4,705

c) Shareholders holding more than 5% in the Company

	31 March 2024		31 March 2023	
Name of shareholder	Number	%	Number	%
Titan Company Limited - the holding company	4,70,50,000	100	4,70,50,000	100

d) Shares held by promoters

	31 March 2024		31 March 2023		
Promoter	No. of shares held	% of total Shares	No. of shares held	% of total Shares	% of change
Titan Company Limited	4,70,50,000	100	4,70,50,000	100	-
	4,70,50,000	100	4,70,50,000	100	-

	As at 31 March 2023		As at 31 March 2022		
Promoter	No. of shares held	% of total Shares	No. of shares held	% of total Shares	% of change
Titan Company Limited	4,70,50,000	100	4,70,50,000	100	-
	4,70,50,000	100	4,70,50,000	100	-

h) No shares have been issued for consideration other than cash.

12 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings{refer note (a)}	19,713	13,287
Securities premium{refer note (b)}	18,754	18,754
Other comprehensive income{refer note (c)}	(342)	(370)
	38,125	31,671

a) **Retained earnings:** Retained earnings comprise of the Company's prior years' undistributed earnings after taxes including transfers to general reserve, securities premium account etc.

b) **Securities premium account:** Amounts received on issue of shares in excess of the par value has been classified as securities premium, utilised in accordance with the provisions of the Companies Act, 2013.

c) **Other comprehensive income :** (Represents actuarial gain or loss on remeasurement of defined benefit obligation)

12.1 Distributions made and proposed

No dividend is proposed for the year ended 31 March 2024 and 31 March 2023.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

13 Financial liabilities

13.1 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Term loan*	3,300	-
	<u>3,300</u>	<u>-</u>

*During the current year, the company has taken term loans with a tenure of 48 months to 72 months, out of which an amount of Rs 27 lakhs is getting matured within the next financial year and hence has been disclosed under Short term borrowings (refer note 17.1) . The interest rate varies from 8.50 % to 8.90 %. The above loan is secured by way of charge on the Property, Plant and Equipment of the company.

13.2 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities {refer note 30}	1,515	179
	<u>1,515</u>	<u>179</u>

13.3 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Other financial liabilities {refer note (a)}	262	-
	<u>262</u>	<u>-</u>

(a) It represents the amount payable to Titan Company Limited ('holding company') for recharge of Employee Stock Option Plan ('ESOP') cost.

14 Other non current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred income in respect of government grants {refer note 36.2}	713	-
	<u>713</u>	<u>-</u>

15 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for compensated absences	1,740	1,438
Provision for pension	92	41
Provision for other employee benefits	237	180
Provision for warranty {refer note 19 (a)}	172	47
	<u>2,241</u>	<u>1,706</u>

16 Income taxes

16.1 The following is the analysis of deferred tax assets/(liabilities):

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	774	672
Deferred tax liabilities	(1,122)	(995)
	<u>(348)</u>	<u>(323)</u>

Particulars	As at 1 April 2023	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax liabilities				
Property, plant and equipment	(1,046)	(51)	-	(1,097)
Derivative instruments in hedge relationship	51	(76)	-	(25)
	<u>(995)</u>	<u>(127)</u>	<u>-</u>	<u>(1,122)</u>
Deferred tax assets				
Intangible asset	5	2	-	7
Provisions for compensated absences, doubtful debts and others	582	88	-	670
Compensation towards voluntary retirement	76	(5)	-	71
Lease liabilities (net of Right-of-use assets)	9	17	-	26
	<u>672</u>	<u>102</u>	<u>-</u>	<u>774</u>
Net deferred tax asset /(liability)	<u>(323)</u>	<u>(25)</u>	<u>-</u>	<u>(348)</u>



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

16 Income taxes (Continued)

Particulars	As at 1 April 2022	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment	(1,058)	12	-	(1,046)
Intangible asset	(71)	122	-	51
	(1,129)	134	-	(995)
Deferred tax assets				
Intangible asset	2	3	-	5
Provisions for compensated absences, doubtful debts and others	438	144	-	582
Compensation towards voluntary retirement	80	(4)	-	76
Lease liabilities (net of Right-of-use assets)	8	1	-	9
	528	144	-	672
Net deferred tax asset/(liability)	(601)	278	-	(323)

16.2 Amounts recognised in statement of profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax	2,184	1,036
Deferred tax	25	(278)
Tax pertaining to previous years	-	(252)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	9	(81)
Tax expense for the year	2,218	425

16.3 The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes:

Particulars	As at 31 March 2024	As at 31 March 2023
Profit before tax	8,644	2,565
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	2,176	646
Effect of:		
Expenses that are not deductible in determining taxable profit	18	25
Effect of tax pertaining to previous years	-	(252)
Others	24	6
Income tax expense recognised in the statement of profit and loss	2,218	425

16.4 The following table provides the details of income tax assets and income tax liabilities as of 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets (net)	200	160
Current tax liabilities (net)	(528)	(10)
Net current income tax asset/(liability) at the end of the year	(328)	150
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net current income tax asset/(liability) at the beginning of the year	150	(127)
Income tax paid (net)	1,724	899
Current income tax expense	(2,193)	(955)
Tax pertaining to previous years	-	252
Income tax on other comprehensive income and others	(9)	81
Net current income tax asset/(liability) at the end of the year	(328)	150



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities

17.1 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured		
Term loan {refer note 13.1}	27	-
loan from bank {refer note (i)}	13,264	4,500
Bill discounting {refer note (ii)}	1,725	-
	15,016	4,500

(i) The interest rate on the loan from bank is 5.25% - 9.10% p.a (previous year 5.59% - 5.77%). The interest is payable at monthly intervals and the loan is

(ii) During the year ended 31 March 2024, the Company has entered into an arrangement with Receivable Exchange of India limited ('RXIL') with a credit period of 78 to 89 days and interest rate ranging from 7.04% to 7.50% towards reverse factoring of MSME payments. These loans are unsecured.

17.2 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities {refer note 30}	338	196
	338	196

17.3 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of micro and small enterprises {Refer note (b) below}	731	750
Total outstanding dues of other than micro and small enterprises *	7,470	3,721
	8,201	4,471

Includes dues to related parties, refer note 34

(a) Trade Payables Ageing Schedule

Particulars	As at 31 March 2024					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	731	-	-	-	-	731
Others	6,646	268	344	-	212	7,470
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	7,377	268	344	-	212	8,201

Particulars	As at 31 March 2023					Total
	Not due	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
MSME	737	13	-	-	-	750
Others	2,628	867	13	175	38	3,721
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	3,365	880	13	175	38	4,471



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)
17.3 Trade payables (Continued)

(b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	731	750
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	324	377
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

* The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

17.4 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Payables on purchase of property, plant and equipment	451	41
Derivative instruments other than in designated hedge accounting relationships	-	203
Other financial liabilities		
- Employee related	1,769	2,077
- Others (includes liability towards shortfall in PF trust, retentions, LIC and salary deductions payable)	83	323
	<u>2,303</u>	<u>2,644</u>

18 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	15,367	6,340
Statutory dues (TDS, PF etc.)	281	220
Contract liability {refer note (i) below}	1,031	-
Deferred income in respect of government grants {refer note 36.2}	76	-
Other current liabilities	212	-
	<u>16,967</u>	<u>6,560</u>

(i) Contract liability represents billing in excess of revenue for the projects for which revenue is recognised over a period of time. Also refer note 20.

19 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for compensated absences	251	204
Provision for other employee benefits	44	48
Provision for gratuity {refer note 32}	213	445
Provision for warranty {refer note (a) below}	352	142
	<u>860</u>	<u>839</u>

Note (a) Provision for warranty (Including current and non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	189	219
Provisions made during the year	411	-
Utilisations/ reversed during the year	(76)	(30)
Balance at the end of the year	<u>524</u>	<u>189</u>



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
Automation solutions	41,830	27,819
Aerospace and defence	26,750	20,912
Total - Sale of products (a)	68,580	48,731
Income from services provided (b)	6,173	1,200
Other operating revenues		
Other receipts (Duty Drawback benefits)	476	746
- Sale of scrap	333	286
Total - Other operating revenue (c)	809	1,032
Revenue from operations (a+b+c)	75,562	50,963

a) As per the requirement of Ind AS 115, the Company disaggregates revenue based on line of business (as given in note 27).

b) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Contracted price	75,562	50,963
Reductions towards variable consideration components	-	-
Revenue recognised	75,562	50,963

c) Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

i) Revenue from contracts with customers

	For the year ended 31 March 2024	For the year ended 31 March 2023
India	35,152	18,671
Rest of the world	40,410	32,292
Total revenue from operations	75,562	50,963

ii) Contract balances

	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables (gross)	17,717	13,630
Contract liabilities (including advances from customers)	16,398	6,340
Contract assets (including unbilled receivables)	16,968	-

iii) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Within one year	16,968	-
More than one year	-	-
	16,968	-

All the remaining performance obligations are expected to be fulfilled within one year.

21 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from employee loans	39	27
Income from trade investments	95	26
Exchange gain (net)	77	-
Government grant {refer note 36.2}	34	-
Miscellaneous income {refer note (b) below}	222	33
	467	86

b) Miscellaneous income includes interest on fixed deposits, interest on income tax refund.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

22 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Closing stock		
Finished goods	2,341	1,869
Work-in progress	7,357	4,759
	9,698	6,628
Opening stock		
Finished goods	1,869	1,531
Work-in progress	4,759	8,860
	6,628	10,391
(Increase) / decrease in inventory	(3,070)	3,763

23 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	11,657	10,755
Company's contribution to provident and other funds		
- Gratuity {refer note 32(c)}	251	166
- provident and other funds {refer note 32(a and b)}	517	442
Employee stock compensation expense {refer note 33}	262	-
Staff welfare expenses	1,776	1,090
	14,463	12,453

24 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowings*	779	229
Interest on lease liability	168	31
Interest others {refer note 17.1(ii)}	201	-
	1,148	260

*The interest rate on the short term loan is 5.25% - 9.10% p.a. The interest is payable at monthly intervals.

25 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 3.1)	2,585	2,012
Amortisation of intangible assets and ROU (refer note 4 & 5)	589	301
	3,174	2,313

26 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Agency labour	1,534	962
Power and fuel	982	754
Repairs and maintenance		
- Buildings	146	90
- Plant and machinery	362	286
Legal and Professional charges {refer note (a) below}	974	1,232
Software expenses	230	179
Advertising and sales promotion	47	34
Royalty	89	-
Selling and distribution expenses	557	717
Insurance	111	103
Rent and Maintenance {refer note 30}	9	12
Rates and taxes	153	103
Recruitment charges	177	38
Telephone and internet charges	84	65
Training expenses	130	53
Travel and conveyance	2,024	1,868
Bad debts written off	1	41
Less: Provision released	(1)	(41)
	89	171
Provision for doubtful debts/ advances	2	31
Loss on sale / disposal / scrapping of property, plant and equipment (net)	66	100
Expenditure on corporate social responsibility {refer note (b) below}	-	648
Exchange loss (net)	713	152
Miscellaneous expenses	63	30
Commission to non-whole-time Directors		
	8,542	7,628



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

26 Other expenses (Continued)

(a) Auditors Remuneration
Particulars

	For the year ended 31 March 2024	For the year ended 31 March 2023
For Statutory accounts	22	22
For services including tax audit and out of pocket expenses	6	6
	28	28

(b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: INR 66 lakhs (Previous year: INR 100 lakhs).

(ii) Amount spent during the year on:

	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Amount required to be spent by the company during the year	66	100
2. Amount of expenditure incurred on:		
- Construction/acquisition of any asset (refer note a below)	28	80
- On purposes other than above (refer note a below)	13	99
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for short fall	NA	NA
6. Nature of CSR Activities	Health, Education, Skill development, Disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship, Health care centers.	

(iii) CSR Contribution to Related parties :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Related Parties	-	-
Unrelated parties	41	179
	41	179

Note (a) : The Company had contributed INR 79 lakhs in excess of the required contribution in the previous year. The excess contribution made has been utilised by the company during the current year and the balance amount unutilised as on 31 March 2024 amounts to INR 54 lakhs and is grouped under "other current

27 Segment information

a) Description of segments

The Chief Operating Decision Maker (CODM) of the Company examines the performance both from a product perspective and geography perspective and has identified 2 reportable segments Automation Solutions and Aerospace and defence. The Company's Whole-time Director and Chief Executive Officer (CEO) is the CODM.

Corporate (unallocated) represents assets and liabilities which relate to the company as a whole and are not allocated to segments.

b) Segment revenues and profit and loss

Particulars	Revenue		Profit / (loss)	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Automation solutions	48,056	29,135	6,387	338
Aerospace and defence	27,506	21,828	3,405	2,486
	75,562	50,963	9,792	2,824
Finance costs			1,148	260
Profit before taxes			8,644	2,564



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

27 Segment information (Continued)

c) Segment assets and liabilities

	For the year ended 31 March 2024	For the year ended 31 March 2023
Segment assets		
Automation solutions	53,507	27,836
Aerospace and defence	37,889	29,808
Corporate (unallocated)	4,026	160
	95,422	57,804

	For the year ended 31 March 2024	For the year ended 31 March 2023
Segment liabilities		
Automation solutions	28,380	11,092
Aerospace and defence	10,078	5,506
Corporate (unallocated)	14,134	4,831
	52,592	21,429

Geographical Segments:

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue		
India	35,152	18,671
Outside India	40,410	32,292

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.

27.1 Information about major customers

Included in revenues arising from direct sales of INR 74,753 lakhs (Previous year: INR 49,931 lakhs) are revenues of approximately INR 12,192 lakhs (Previous year: INR 11,575 lakhs) which arose from sales to the Company's largest customer. No other single customer contributed 10% or more to the Company's revenue for the reported years.

28 Earnings per share

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year (INR in lakhs)	6,426	2,140
Weighted average number of equity shares	4,70,50,000	4,70,50,000
Nominal value of shares (INR)	10	10
Earnings per share - Basic and diluted (INR)	13.66	4.55

29 Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 2,680 lakhs (Previous year: INR 3,993 lakhs).

30 Leases

30.1 Amounts recognised in balance sheet

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Right-of-use assets	4		
Building		1,839	302
Land		-	65
		1,839	367
(ii) Lease liabilities			
Non-current	13.2	1,515	179
Current	17.2	338	196
		1,853	375



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

30 Leases (Continued)

30.2 Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Depreciation and amortisation expense	4		
Building		460	127
Land		4	57
		<u>464</u>	<u>184</u>
(ii) Interest expense (included in finance cost)	24	168	31
(iii) Expense relating to short-term leases {refer note (a) below}	26	9	12

- (a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and
(b) The total cash outflow for the year ended 31 March 2023 amounts to INR 486 lakhs. (Previous year: INR 203 lakhs).
(c) The company doesnot have any expense for low-value assets and variable lease payments.

30.3 The impact on the statement of profit and loss is as below:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent is lower by	486	203
Depreciation and amortisation is higher by	(464)	(184)
Finance cost is higher by	(168)	(31)
	<u>(146)</u>	<u>(12)</u>

The Company has discounted lease payments using applicable incremental borrowing rate within a range of 9.25% to 10% for measuring the lease liability.

30.4 The amount of lease commitment for short term leases as at 31 March 2023 is Nil (Previous year: Nil)

31 Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
Contingent liability:		
Indirect tax matters (refer note below)	310	125

Note:

The company has received a demand notice amounting to Rs 125 lakhs in the previous year from the Commissioner of Goods and Service Tax and Central Excise with respect to availment of transitional credit (CGST Credit). The Company had filed an appeal against this order with the Commissioner of GST & Central Excise (Appeals), Salem. During the current year, the company has received a favourable order from the department.

The company has received a demand notice amounting to Rs 310 lakhs in the current year from the Commissioner of Goods and Service Tax and Central Excise with respect to availment of irregular credit during the period July 2017 to March 2020. The company is yet to file an appeal against the demand order.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

32 Employee benefits

a) Defined Contribution Plans

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Superannuation fund	67	58
National pension scheme	27	24
Employee pension fund	165	141
	259	223

b) Defined benefits plans

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Provident fund*	258	219
	258	219

* Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such shortfall as an expense. During the current year ended 31 March 2024, the Company has charged Nil (previous year - Nil) being the change in measurement of defined benefit plans, in other comprehensive income for the shortfall in the interest payable by the Trust to the beneficiaries as on the balance sheet date.

c) Gratuity (Funded)

The Company makes annual contributions to The Titan Industries Gratuity Fund. The scheme provides for lump sum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

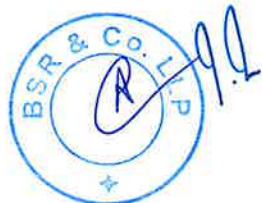
The plan is a defined benefit plan in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that an adverse salary growth or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.)		
- Non-management	8.0%	8.0%
- Management	8.0%	8.0%
- The retirement age of employees of the Company varies from 58 to 60 years.		
- The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.		
- Rates of leaving service (leaving service due to disability included) at specimen ages are as shown below (Rate per annum):		
Age (years)	For the year ended 31 March 2024	For the year ended 31 March 2023
21-44	6%	6%
45 and above	2%	2%

Components of defined benefit costs recognised in the statement of profit and loss are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	219	171
Interest on net defined benefit liability / (asset)	31	(5)
Total component of defined benefit costs charge to the statement of profit and loss	250	166



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

32 Employee benefits (continued)

Components of defined benefit costs recognised in other comprehensive income are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening amount recognised in other comprehensive income outside profit and loss account	350	30
Remeasurements during the period due to:		
- Changes in financial assumptions	74	182
- Experience adjustments	91	213
- Actual return on plan assets less interest on plan assets	(202)	(75)
Closing amount recognised in other comprehensive Income/loss	313	350

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening net defined benefit liability/ (asset)	445	(41)
Expense charged to profit and loss account	250	166
Amount recognised outside statement of profit and loss	(37)	320
Employer contributions	(445)	-
Closing net defined benefit liability/ (asset)	213	445

Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening defined benefit obligation	2,557	2,026
Current service cost	219	171
Interest cost	185	139
Remeasurement due to		
- Actuarial gains and losses arising from changes in financial assumptions	74	182
- Actuarial gains and losses arising from experience adjustments	91	213
Benefits paid	(119)	(174)
Closing defined benefit obligation	3,007	2,557

Movements in the fair value of plan assets are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening fair value of plan assets	2,112	2,067
Employer contributions	445	-
Interest on plan assets	154	144
Remeasurements due to actuarial return on plan assets less interest on plan assets	202	75
Benefits paid	(119)	(174)
Closing fair value of plan assets	2,794	2,112



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

32 Employee benefits (continued)

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate, leaving service rate and full salary escalation rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumption by 50 basis points:

	For the year ended 31 March 2024		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	2,860	3,161	2,812
Defined benefit obligation on minus 50 basis points	3,163	2,860	2,881

	For the year ended 31 March 2023		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	2,431	2,687	2,525
Defined benefit obligation on minus 50 basis points	2,688	2,431	2,586

Maturity profile of defined benefit obligation

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
With in year 1	157	137
1 year to 2 years	124	143
2 years to 3 years	181	113
3 years to 4 years	350	163
4 years to 5 years	397	319
Over 5 years	6,204	5,638

The weighted average duration to the payment of these cash flows is 10.07 years
The Company is expected to contribute INR 50 lakhs to the gratuity fund next year.

A split of plan asset between various asset classes is as below:

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Quoted	Unquoted	Quoted	Quoted
Government debt instruments	1,588	-	1,184	-
Other debt instruments	677	-	626	-
Entity's own equity instruments	296	-	200	-
Others	-	233	-	100

33 Employee stock option plan (ESOP)

During the year, the Company's eligible employees were granted employee stock options by its holding company - "Titan Company Limited".

The Company recognizes compensation expenses relating to these share-based payments using fair value in accordance with Ind AS 102, Share-Based Payment. These Employee Stock Options granted are measured by reference to the fair value of the instrument at the date of grant. The holding company recharges the ESOP expenses relating to the Company's employees. These expense are recognised in the statement of profit and loss under employee stock option expense with a corresponding credit in other non-current liability. The detail below captures the information of the entire plan of the Holding Company.

*The weighted average remaining contractual life of the options outstanding as of March 31, 2024 was 2.08 years.

Particulars	For the year ended 31 March 2024
No of options granted	43,400
Risk free interest rate	6.8 - 6.9
Expected life of options granted	2.2 - 3.0
Expected volatility (weighted average)	28.5 - 46.3
Dividend Yield (%)	0.30
Weighted average fair value of options per share (₹)	2,674
Exercise price (in ₹)	1



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

34 Related parties:

- i) Relationship
- a) Holding company Titan Company Limited
- b) Subsidiaries TEAL USA Inc.
- c) Fellow subsidiaries
- Caratlane Trading Private Limited
Titan Watch Company Hong Kong Limited (100% subsidiary of Titan Holdings International FZCO)
Titan Holdings International FZCO
Titan Global Retail L.L.C
Titan International QFZ, Qatar
Titan Commodity Trading Limited
StudioC Inc (Wholly owned subsidiary of Caratlane Trading Private Limited)
TCL North America Inc.
- d) Other related parties Green Infra Windpower Theni Limited
- e) Promoter of holding company
- Tata Sons Private Limited
Tamilnadu Industrial Development Corporation Limited
- f) Key Management Personnel (KMP)
- Mr. N P Sridhar, Whole-time Director & CEO
Mr. Ashok Kumar Sonthalia, Director
Mr. Balamurugan B, CFO
Ms. Sariga P Gokul, Company Secretary
Non - executive Directors
Mr. N Kailasanathan
Mr. Sanjeev Sharma
- g) Group entities
(Wherever there are transactions)
- Tata Consultancy Services Limited
Tata SmartFoodz Limited
Tata Teleservices Limited
Tata Advanced System Limited
Tata Communications
Supermarket Grocery Supplies Private Limited
Tata Advanced Materials Limited
Titanx Engine Cooling Inc
Tata Electronics Private Limited
Harita NTI Limited
Tata AIA Life Insurance Company
Tata Power Renewable Energy Limited
Tata Power Solar Systems Limited
Innovative Retail Concepts Pvt Ltd
Tata Technologies
Tata Power Company Limited
Tata AIG General Insurance
Infinity Retail limited
TVS Motor Company Indonesia
- h) Post employee benefit plan entities
- Titan Watches Provident Fund
Titan Watches Super Annuation Fund
Titan Industries Gratuity Fund

ii) Related party transactions during the year :

	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
<i>Cost of materials consumed</i>			
Titan Company Limited	Holding company	49	18
Tata Power Company Limited	Group entities	2	2
Harita NTI Limited	Group entities	-	8
<i>Purchase of Asset</i>			
Tata Power Solar Systems Limited	Group entities	58	-
<i>Revenue from operations</i>			
Tata Sons Private Limited	Promoter of Holding Co	-	3
Titan Company Limited	Holding company	67	60
Tata SmartFoodz Limited	Group entities	-	17
Titanx Engine Cooling Inc	Group entities	-	426
Tata Consultancy Services Limited	Group entities	-	30
Tata Electronics Private Limited	Group entities	1,134	127



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

34 Related parties (continued):

	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
<i>Revenue from operations (continued)</i>			
Titan Company Limited	Holding company	-	5
Tata Teleservices Limited	Group entities	6	7
Tata Consultancy Services Limited	Group entities	6	32
Tata Communications	Group entities	8	10
Tata Technologies	Group entities	10	9
Tata AIA Life Insurance Company	Group entities	7	-
Tata AIG General Insurance	Group entities	22	-
Tata Power Renewable Energy Limited	Group entities	49	-
Innovative Retail Concepts Pvt Ltd	Group entities	4	-
Tata Electronics Private Limited	Group entities	3	-
<i>Reimbursement towards rendering of services / expenses</i>			
Sridhar N P	KMP	9	4
<i>Miscellaneous expenses</i>			
Titan Company Limited	Holding company	241	391
Supermarket Grocery Supplies Private Limited	Group entities	1	12
Infinity Retail limited	Group entities	15	-
Tata Electronics Private Limited	Group entities	11	1
<i>Income from services provided</i>			
Tata SmartFoodz Limited	Group entities	-	20
Tata Advanced Materials Limited	Group entities	-	13
Titanx Engine Cooling Inc	Group entities	-	2
Tata Advanced System Limited	Group entities	25	-
Tata Electronics Private Limited	Group entities	-	7
<i>Key managerial personnel compensation</i>			
Managerial remuneration	KMP	213	288
Commission and sitting fees	KMP	125	30
Performance stock units (fair value of options)	KMP	243	-
Gratuity	KMP	66	54
Compensated absences	KMP	54	46
Long service award	KMP	0	-
<i>Contribution to Trust funds</i>			
Titan Watches Provident Fund	Post employee benefit plan entities	1,029	1,024
Titan Watches Super Annuation Fund	Post employee benefit plan entities	76	132
Titan Industries Gratuity Fund	Post employee benefit plan entities	445	-

iii) Related party closing balances as on balance sheet date:

		As at 31 March 2024	As at 31 March 2023
Outstanding - net payables			
Titan Company Limited	Holding company	196	14
Tata Consultancy Services Limited	Group entities	316	-
Tata Advanced Materials Limited	Group entities	-	4
Tata Electronics Private Limited	Group entities	81	-
SuperMarket Grocery Supplies Private Limited	Group entities	-	1
TitanX Engine Cooling Inc	Group entities	13	-
TVS Motor Company Indonesia	Group entities	508	-
Tata AIA Life Insurance Company	Group entities	7	-
Tata Power Renewable Energy Limited	Group entities	4	-
Outstanding - net receivable			
Tata Advanced Materials Limited	Group entities	0	-
Tata Electronics Private Limited	Group entities	1	89
Tata SmartFoodz Limited	Group entities	1	1
Tata Consultancy Services Limited	Group entities	-	35
Tata Advanced System Limited	Group entities	-	11
TitanX Engine Cooling Inc	Group entities	-	58
Others	Group entities	1	-

Note:

a) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

b) No loans or advances in the nature of loans have been granted to promoters, directors, KMPs or any other related party, either severally or jointly with any other person.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

35 Financial instruments

35.1 Categories of financial instruments

Financial assets

Particulars

As at
31 March 2024 As at
31 March 2023

Measured at fair value through profit or loss (FVTPL)

Designated as FVTPL-Equity investments and mutual funds

Total financial assets measured at FVTPL (a)

Measured at amortised cost

- Trade receivables

- Cash and cash equivalents

- Bank balances other than cash and cash equivalents

- Security deposits

- Other assets

- Employee loans

Total financial assets measured at amortised cost (b)

Derivative instruments other than in designated hedge accounting relationships (c)

Total financial assets (a + b + c)

3,035	2,071
3,035	2,071
17,315	13,284
451	761
12	811
369	319
286	738
458	429
18,891	16,342
99	-
22,025	18,413

Financial liabilities

Particulars

As at
31 March 2024 As at
31 March 2023

Measured at fair value through profit or loss (FVTPL)

Derivative instruments other than in designated hedge accounting relationships

Total financial liabilities measured at FVTPL (a)

Measured at amortised cost

- Borrowings

- Trade payables

- Lease liability

- Other financial liabilities

Total financial liabilities measured at amortised cost (b)

Total financial liabilities (a + b)

-	203
-	203
18,316	4,500
8,201	4,471
1,853	375
2,565	2,441
30,935	11,787
30,935	11,990

(i) Fair value hierarchy

This note explains about basis for determination of fair values of various financial assets and liabilities:

Particulars

As at 31 March 2024

Financial assets and liabilities measured at fair value

Level 1

Level 2

Level 3

Total

Financial assets

- Unquoted investments at FVTPL

- Derivative instruments other than in designated hedge accounting relationships

Total financial assets

-	3,035	-	3,035
-	99	-	99
-	3,134	-	3,134

Financial liabilities

- Derivative instruments other than in designated hedge accounting relationships

Total financial liabilities

-	-	-	-
-	-	-	-

Particulars

As at 31 March 2023

Financial assets and liabilities measured at fair value

Level 1

Level 2

Level 3

Total

Financial assets

- Quoted investments at FVTPL

- Derivative instruments other than in designated hedge accounting relationships

Total financial assets

-	2,071	-	2,071
-	-	-	-
-	2,071	-	2,071

Financial liabilities

- Derivative instruments other than in designated hedge accounting relationships

Total financial liabilities

-	203	-	203
-	203	-	203



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35 Financial instruments (continued)

(ii) Valuation technique used to determine fair value

Specific value techniques used to value financial instruments include:

- the use of quoted market prices for listed instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using option prices obtained from banks.
- the fair value of remaining financial instruments is determined using market comparable, discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities that are not measured at fair value but fair value disclosures are required

The carrying values of financial assets and liabilities approximate the fair values.

35.2 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the Company through approved credit norms, establishing credit limits, obtaining advances from customers and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customer. Refer note 9.2 for the disclosure for trade receivables.

35.3 Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity and interest risk tables:

The following tables details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn on an undiscounted cash flows and include contractual interest payments of financial liabilities based on the earliest date on which the Company can be required to pay.

Contractual maturities of financial liabilities	less than 1 year	more than 1 year	Total
As at 31 March 2024			
Non-derivatives			
Borrowings*	15,016	3,300	18,316
Trade payables	7,645	556	8,201
Lease liability	632	1,829	2,461
Other financial liabilities	2,565	-	2,565
Total non-derivative liabilities	25,858	5,685	31,543
Derivative instruments other than in designated hedge accounting relationships	-	-	-
	25,858	5,685	31,543
Contractual maturities of financial liabilities	less than 1 year	more than 1 year	Total
As at 31 March 2023			
Non-derivatives			
Borrowings*	4,500	-	4,500
Trade payables	880	3,591	4,471
Lease liability	203	199	402
Other financial liabilities	2,441	-	2,441
Total non-derivative liabilities	8,024	3,790	11,814
Derivative instruments other than in designated hedge accounting relationships	203	-	203
	8,227	3,790	12,017

*Borrowings disclosed in the above table is excluding interest.



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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

35 Financial instruments (continued)

35.4 Market risk

The Company is exposed to foreign exchange risk through its exports and imports in various foreign currencies. Exchange rate between the rupee and foreign currencies has changed in recent years and may fluctuate in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/ depreciates against these currencies.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign Currency (in lakhs)	Amount in INR	Foreign Currency (in lakhs)	Amount in INR
<i>Trade Receivables</i>				
- EUR	54.90	4,934	65.36	5,846
- USD	67.73	5,649	52.92	4,348
- GBP	0.38	40	1.01	103
<i>Bank balances</i>				
- EUR	0.17	15	3.70	331
<i>Advances to suppliers</i>				
- EUR	1.06	95	3.88	347
- USD	2.27	189	3.11	256
- CAD	0.00	0	-	-
- GBP	0.06	6	0.59	60
- JPY	6.22	3	38.36	24
- SGD	0.01	1	-	-
<i>Trade Payables</i>				
- EUR	12.59	1,131	4.06	363
- USD	14.29	1,192	8.98	738
- CAD	-	-	-	-
- GBP	0.13	14	0.58	59
- JPY	2.00	1	36.13	22
- SGD	0.25	16	0.01	1
<i>Advance from customers</i>				
- EUR	25.56	2,298	14.81	1,324
- USD	73.01	6,089	8.24	677

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD and EURO. The Company's sensitivity to a 50 basis point increase and decrease in the INR against the relevant foreign currencies is presented below:

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 50 basis point change in foreign currency rates. There is a decrease in profit or equity by INR 1 lakh (Previous year: INR 41 lakhs) where the INR strengthens 50 basis point against the relevant currency. For a 50 basis point weakening of the INR against the relevant currency, there would be a comparable increase in profit or equity.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

36.1 Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The funding requirements are primarily met through equity and operating cash flows generated. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholder. The Company is not subject to any externally imposed capital requirements.

Amongst other things, the Company's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest-bearing loans and borrowings and upholds investor confidence.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

36.2 Government grants

	As at 31 March 2024	As at 31 March 2023
As at 1 April	-	-
Recognised during the year	823	-
Released to the statement of profit and loss	(34)	-
As at 31 March	789	-
Current	76	-
Non-Current	713	-

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to the grant. The government grant, recognised as deferred income, is being amortised over the useful life of the Plant, machinery and equipment on a straight line basis.

37 Financial Ratios

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance %
a) Current Ratio	Total current assets	Total current liabilities	1.51	1.93	-22%
b) Debt-Equity Ratio {refer note (a)}	Debt consists borrowings and lease liabilities	Total equity	0.47	0.13	251%
c) Debt Service Coverage Ratio {refer note (b)}	Earnings for debt service = Net Profit after taxes + Non-cash operating expenses + Finance cost + other non cash adjustments	Debt service = Interest and lease payments + Principal repayments	6.91	13.18	-48%
d) Return on Equity Ratio {refer note (c)}	Profit for the year (Net Profit after Tax)	Average total equity	16%	6%	169%
e) Inventory turnover ratio {refer note (d)}	Cost of goods sold	Average inventory	2.13	1.62	31%
f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	4.94	4.00	24%
g) Trade payables turnover ratio {refer note (e)}	Net purchases	Average trade payables	6.41	5.04	27%
h) Net capital turnover ratio	Revenue from operations	Working capital (Current Assets - Current Liabilities)	3.36	2.85	18%
i) Net profit ratio {refer note (f)}	Profit for the year (after Tax)	Revenue from operations	8.5%	4.2%	103%
j) Return on Capital employed {refer note (g)}	Profit before tax and finance cost	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	16.0%	6.9%	132%
k) Return on investments {refer note (h)}	Income generated from invested funds	Average invested funds in treasury investments	3.7%	2.5%	48%

Explanation for ratios where the variance is beyond 25% compared to previous year:

- Increase in debt in the current year has resulted in increase in the ratio.
- Increase in the debt service coverage ratio is due to the increase in the finance cost payments.
- Increase in profit after tax has resulted in increase in the ratio.
- Increase in ratio is due increase in operations and faster turn around of inventory during the current year.
- Increase in purchases and faster turn around for payables has resulted in increase in the ratio.
- Increase in profit for the year has improved the net profit ratio in the current year.
- Increase in profit for the year has improved return on capital employed ratio in the current year.
- Higher returns from the average mutual funds invested has resulted in increase in the ratio.



9.2.

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Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

38 Other statutory information :

- (i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has not invested funds in any entity with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other entities by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee or security to or on behalf of the ultimate beneficiaries,
- (vi) The Company has not received any fund from entities with an understanding that the Company shall:
 - (a) lend or invest in other entities identified by or on behalf of the funding Party (ultimate beneficiaries) or
 - (b) provide any guarantee or security on behalf of the ultimate beneficiaries,
- (vii) The Company is not classified as wilful defaulter.
- (viii) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022


Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 3 May 2024

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021232)




N P Sridhar
Whole-time Director &
CEO
DIN: 03375241

Ashok Sonthalia
Director
DIN: 03259683


Balamurugan B
Chief Financial Officer
M.No : 216020


Sariga P Gokul
Company Secretary
M.No : A39637

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024

Place: Bengaluru
Date: 30 April 2024