

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 2025, 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 2025, and its profit and other comprehensive loss, 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 2025 to 07 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 2025 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 39(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, other than as disclosed in the Note 39(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 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.
 - f. The feature of audit trail was not enabled at the application layer of the accounting software for

Independent Auditor's Report (Continued)

Titan Engineering & Automation Limited

data changes performed by users having privileged access relating to revenue, accounts payable, accounts receivable, fixed assets and general ledger. Additionally, based on our examination, where the audit trail (edit log) facility was enabled and operated at database layer in the previous year, the audit trail has not been preserved by the Company as per the statutory requirements for record retention.

2 A. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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: 05 May 2025

Membership No.: 521774

ICAI UDIN:25521774BMZYWJ1126

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025

(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 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	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)	7,547	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

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025
(Continued)**

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.

- (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 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			251	
Balance outstanding as at balance sheet date				
Subsidiaries*				
Joint ventures*				
Associates*				
Others*			492	

*As per the Companies Act, 2013

- (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

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025 (Continued)

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, the 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 generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in case of professional taxes and provident fund.

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 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident



Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025 (Continued)

Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Amount (INR in Lakhs)*	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise, Service Tax and VAT	310	July 2017 to March 2020	Commissioner of GST & Central Excise (Appeals)	
Goods and Service Tax	1,385	FY 2020-21 and FY 2021-22	Commissioner of GST & Central Excise	

*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 financial statements 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 (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

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025
(Continued)**

- 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our 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 year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of 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) (a) 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) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is 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 one CICs which is 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

**Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2025
(Continued)**

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.

- (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

Membership No.: 521774

Date: 05 May 2025

ICAI UDIN:25521774BMZYWJ1126

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 2025
(Continued)**

Annexure

Annexure B to the Independent Auditor's Report on the financial statements of Titan Engineering & Automation Limited for the year ended 31 March 2025

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 2025 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 2025, 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 2025
(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.:101248W/W-100022

Amit Aggarwal

Partner

Place: Bengaluru

Date: 05 May 2025

Membership No.: 521774

ICAI UDIN:25521774BMZYWJ1126

Titan Engineering & Automation Limited
Balance sheet as at 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	28,250	25,141
Capital work-in-progress	3.2	316	422
Right-of-use assets	4	1,868	1,839
Intangible assets	5	188	152
Financial assets			
(i) Investments	6.1	-	-
(ii) Loans	6.2	238	244
(iii) Other financial assets	6.3	579	478
Income tax assets (net)	16	203	200
Other non-current assets	7	270	259
Total non-current assets		31,912	28,735
Current assets			
Inventories	8	26,136	22,014
Financial assets			
(i) Investments	9.1	-	3,035
(ii) Trade receivables	9.2	19,442	17,315
(iii) Cash and cash equivalents	9.3	992	451
(iv) Bank balances other than (iii) above	9.3	12	12
(v) Loans	9.4	254	214
(vi) Other financial assets	9.5	1,097	276
Other current assets	10	10,729	23,370
Total current assets		58,662	66,687
TOTAL ASSETS		90,574	95,422
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,705	4,705
Other equity	12	46,541	38,125
Total equity		51,246	42,830
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13.1	3,324	3,300
(ii) Lease liabilities	13.2	1,462	1,515
(iii) Other financial liabilities	13.3	550	262
Provisions	15	2,595	2,241
Deferred tax liabilities (net)	16	208	348
Other non current liabilities	14	699	713
Total non-current liabilities		8,838	8,379
Current liabilities			
Financial liabilities			
(i) Borrowings	17.1	3,276	15,016
(ii) Lease liabilities	17.2	528	338
(iii) Trade payables	17.3		
- Total outstanding dues of micro and small enterprises		1,707	731
- Total outstanding dues of other than micro and small enterprises		7,653	7,470
(iv) Other financial liabilities	17.4	2,776	2,303
Other current liabilities	18	12,365	16,967
Provisions	19	1,387	860
Current tax liabilities (net)	16	798	528
Total current liabilities		30,490	44,213
TOTAL EQUITY AND LIABILITIES		90,574	95,422
Material 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: 5 May 2025



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

N P Sridhar
Managing Director
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: 5 May 2025

Place: Bengaluru
Date: 5 May 2025

Place: Bengaluru
Date: 5 May 2025



Titan Engineering & Automation Limited
Statement of profit and loss for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from operations	20	86,576	75,562
Other income	21	431	467
Total income		87,007	76,029
Expenses:			
Cost of materials consumed		40,271	43,128
Change in inventories of finished goods, stock-in-trade and work-in-progress	22	(16)	(3,070)
Employee benefits expense	23	17,869	14,463
Finance costs	24	1,853	1,148
Depreciation and amortisation expense	25	3,790	3,174
Other expenses	26	11,910	8,542
Total expenses		75,677	67,385
Profit before tax		11,330	8,644
Tax expense:			
Current tax	16	3,002	2,193
Deferred tax	16	(140)	25
Total tax expense		2,862	2,218
Profit for the year		8,468	6,426
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of the employee defined benefit plans		(70)	37
- Income tax on above		18	(9)
Total other comprehensive income, net of tax		(52)	28
Total comprehensive income for the year		8,416	6,454
Earnings per equity share of INR 10:			
Basic and diluted (Rs.)	28	18.00	13.66

Material accounting policies

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: 5 May 2025

for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021932)


N P Sridhar
Managing Director

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: 5 May 2025

Place: Bengaluru
Date: 5 May 2025

Place: Bengaluru
Date: 5 May 2025

Place: Bengaluru
Date: 5 May 2025



Titan Engineering & Automation Limited
Statement of changes in equity for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
(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

Reserves and surplus

Particulars	Securities premium	Retained earnings	Items of other comprehensive income (refer note 12)	Total other equity
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
Balance as at 1 April 2024	18,754	19,713	(342)	38,125
Profit for the year (net of taxes)	-	8,468	-	8,468
Other comprehensive income for the year (net of taxes)	-	-	(52)	(52)
Balance as at 31 March 2025	18,754	28,181	(394)	46,541

Material 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: 5 May 2025



for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021262)



N P Sridhar
Managing Director

DIN: 03375241

Place: Bengaluru
Date: 5 May 2025



Ashok Sonthalia
Director

DIN: 03259683

Place: Bengaluru
Date: 5 May 2025





Balamurugan B
Chief Financial Officer

M.No : 216020

Place: Bengaluru
Date: 5 May 2025



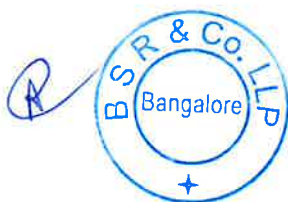
Sariga P Gokul
Company Secretary

M.No : A39637

Place: Bengaluru
Date: 5 May 2025

Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Cash flows from operating activities		
Profit before tax	11,330	8,644
<i>Adjustments for:</i>		
Depreciation and amortisation expense	3,790	3,174
Loss on sale / disposal / scrapping of property, plant and equipment (net)	5	2
Finance costs	1,853	1,148
Allowance for doubtful trade receivables/advances	509	89
Income from trade investments	(109)	(97)
Interest income on demand deposits	(7)	(6)
Net exchange differences (unrealised)	218	(177)
Government grants	(58)	(34)
Employee stock compensation expense	289	262
(Gain) on preclosure of lease contracts	-	(39)
(Gain) arising on fair valuation of employee loans, leases and investments	(43)	(25)
	<u>17,777</u>	<u>12,941</u>
Change in operating assets and liabilities		
(Increase) in trade receivables	(2,813)	(4,242)
(Increase) in inventories	(4,122)	(6,330)
(Increase) / decrease in other financial assets and loans	(900)	398
Decrease / (increase) in other assets	12,611	(19,760)
Increase in trade payables	1,172	3,746
Increase in provisions	811	593
Increase / (decrease) in other financial liabilities	645	(549)
(Decrease) / increase in other non current liabilities	(14)	713
(Decrease) / increase in other current liabilities	(4,544)	10,441
Cash used in operations	<u>2,846</u>	<u>(14,990)</u>
Income taxes paid, net	(2,717)	(1,724)
Net cash generated from / (used in) operating activities	A <u>17,906</u>	<u>(3,773)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment including intangibles and capital work in progress	(6,686)	(8,737)
Interest received	7	6
Proceeds from sale of property, plant and equipment	166	30
Bank deposits placed	-	(1)
Bank deposits matured	-	800
Purchase of investments	(65,862)	(867)
Sales of investments	69,006	-
Net cash generated used in investing activities	B <u>(3,369)</u>	<u>(8,769)</u>
Cash flows from financing activities		
Proceeds from long term borrowings	150	3,300
Repayment of long term borrowings	(20)	-
Repayment of short-term borrowings, net	(11,846)	10,516
Payment of lease liabilities	(629)	(419)
Finance cost paid	(1,651)	(1,148)
Net cash generated from financing activities	C <u>(13,996)</u>	<u>12,249</u>
Net increase / (decrease) in cash and cash equivalents	(A+B+C) <u>541</u>	<u>(293)</u>
Cash and cash equivalents at the beginning of the year (refer note 9.3)	451	761
Add/ (Less): Unrealised exchange (gain)/ loss	-	(17)
Cash and cash equivalents at the end of the year (refer note 9.3)	<u>992</u>	<u>451</u>



Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars

**For the year ended
31 March 2025** **For the year ended
31 March 2024**

Debt reconciliation statement in accordance with Ind AS 7

Borrowings

Opening balance	18,316	4,500
(Repayment) / Proceeds of short term borrowings (net)	(11,846)	10,516
Proceeds from long term borrowings	150	3,300
Repayment of long term borrowings	(20)	-
Closing balance	6,600	18,316

Reconciliation of Lease liability

Opening balance	1,853	375
Payments made during the year	(629)	(419)
Non-cash changes	766	1,897
Closing balance	1,990	1,853

Material 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

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



Amit Aggarwal
Partner

Membership No : 521774



Place: Bengaluru
Date: 5 May 2025



N P Sridhar
Managing Director

DIN: 03375241

Place: Bengaluru
Date: 5 May 2025



Ashok Sonthalia
Director

DIN: 03259683

Place: Bengaluru
Date: 5 May 2025



Balamurugan B
Chief Financial Officer

M.No : 216020

Place: Bengaluru
Date: 5 May 2025



Sariga P Gokul
Company Secretary

M.No : A39637

Place: Bengaluru
Date: 5 May 2025



Titan Engineering & Automation Limited

Material accounting policies and notes to the financial statements for the year ended 31 March 2025

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

These financial statements have been prepared on an accrual basis under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- a) Certain financial assets and liabilities (including derivative instruments).
- 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. Current/ non-current classification

Based on the time involved between 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.

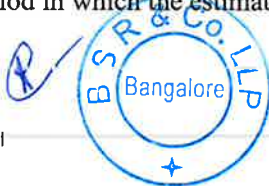
iv. Rounding of amounts

All amount disclosed in these financial statements and notes have been rounded off to ₹ lakhs as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

v. 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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

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 2025 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.

vi. 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.

vii. 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.

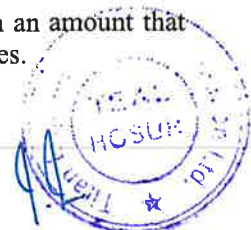
Further information about the assumptions made in the measuring fair values is included in the Note 34 – financial instruments.

viii. 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.

ix. 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.



Notes to financial statements (continued)

ix. Revenue and other income recognition (continued)

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.

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

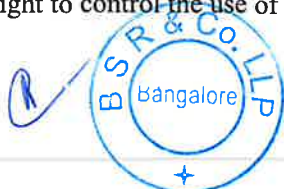
- The Company's contracts with customers could include promises to transfer multiple goods to a customer. The Company assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine 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.

x. 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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

x. Leases (continued)

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.

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.

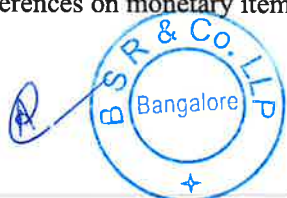
d) Modification/ termination of lease:

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.

xi. 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)

xii. 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.

xiii. Taxation

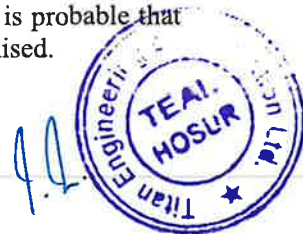
Income tax comprises of Current tax and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in the other comprehensive income.

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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xiii. 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.

xiv. 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 and the cost of item can be measured reliably.

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)

xiv. 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 land 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	5 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, 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.

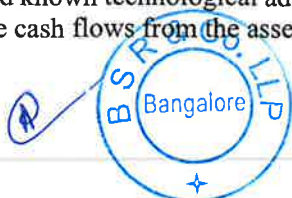
Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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.

xv. 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 lives 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)

xv. 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.

xvi. 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:

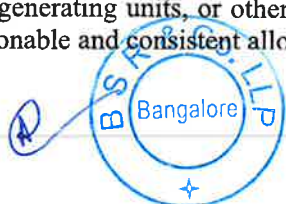
At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (other than investment property, inventories, contract asset and deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such 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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xvi. 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.

xvii. 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.

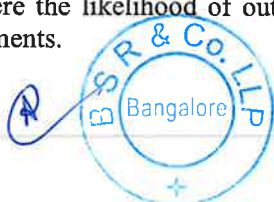
xviii. Provisions and contingencies

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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xviii. 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.

xix. 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 regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place

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

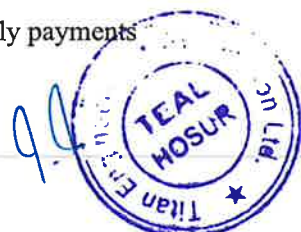
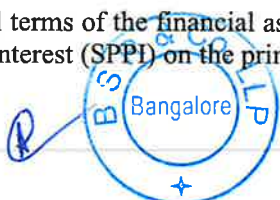
- (i) Amortised cost
- (ii) Fair value through other comprehensive income (FVOCI)
- (iii) Fair value through profit and loss (FVTPL)

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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xix. 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

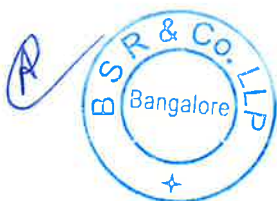
A financial liability which is not classified in any of the above categories are subsequently carried at fair value through profit or loss.

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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xix. 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.

xx. 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.

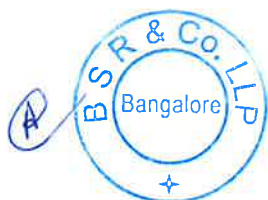
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

xxi. 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.

xxii. 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.



Notes to financial statements (continued)

2. Material Accounting Policies (continued)

xxiii. 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.

xxiv. 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.

xxv. 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.

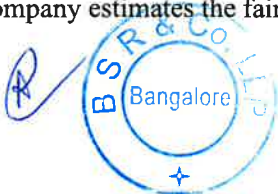
xxvi. Share based payment arrangements

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.



Notes to financial statements (continued)

xxvii. Recent Pronouncements

The Company has evaluated its contracts and arrangements in accordance with the requirements of Ind AS 117 – Insurance Contracts, which became effective from 1 April 2024. Based on this assessment, the Company has determined that it does not issue insurance contracts nor hold reinsurance contracts that fall within the scope of Ind AS 117.

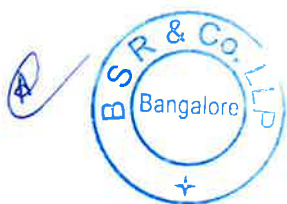
Accordingly, Ind AS 117 is not applicable to the Company for the current reporting period, and no accounting or disclosure requirements under Ind AS 117 have been applied in these financial statements. The Company will continue to monitor its contracts to ensure timely compliance in the event any arrangement falls within the scope of Ind AS 117 in the future.

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, *Leases*, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have a material impact on the Company's financial statements.



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 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
As at 1 April 2024	3,581	7,021	21,576	1,637	1,999	374	516	379	37,083
Additions	-	535	4,140	535	545	292	253	79	6,379
Disposals	-	2	315	390	54	10	23	20	814
Transfers	-	(7)	(63)	(80)	44	64	42	-	-
As at 31 March 2025	3,581	7,547	25,338	1,702	2,534	720	788	438	42,648
Accumulated depreciation									
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
As at 1 April 2024	0	1,667	7,795	983	978	26	333	160	11,942
Depreciation expense	-	229	1,883	414	306	92	87	89	3,100
Disposals	-	1	200	381	25	2	14	20	643
Transfers	-	(1)	(6)	(34)	(6)	41	5	-	(1)
As at 31 March 2025	0	1,894	9,472	982	1,253	157	411	229	14,398
Net carrying value									
As at 31 March 2024	3,581	5,354	13,782	654	1,021	348	183	219	25,141
As at 31 March 2025	3,581	5,653	15,866	720	1,281	563	377	209	28,250

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	7,547	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.

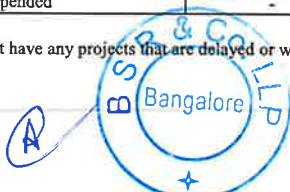
3.2 Capital work-in-progress

Particulars	Capital work-in-progress
As at 1 April 2023	795
Additions	8,790
Capitalisations	9,163
As at 31 March 2024	422
As at 1 April 2024	422
Additions	6,273
Capitalisations	6,379
As at 31 March 2025	316

Capital work-in-progress	As at 31 March 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	307	-	9	-	316
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

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



Titan Engineering & Automation Limited

Notes to the financial statements for the year ended 31 March 2025

(All amounts in INR lakhs, unless otherwise stated)

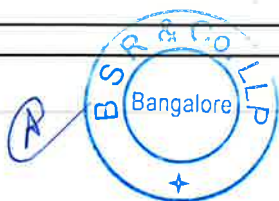
4 Right-of-use assets*

Particulars	Buildings	Leasehold Land	Total
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
As at 1 April 2024	2,246	-	2,246
Additions	595	-	595
Modifications / terminations	-	-	-
As at 31 March 2025	2,841	-	2,841
Accumulated amortisation			
As at 1 April 2023	231	200	431
Amortisation expense	460	4	464
Disposals	(284)	(204)	(488)
As at 31 March 2024	407	-	407
As at 1 April 2024	407	-	407
Amortisation expense	566	-	566
Modifications / terminations	-	-	-
As at 31 March 2025	973	-	973
Net carrying value			
As at 31 March 2024	1,839	-	1,839
As at 31 March 2025	1,868	-	1,868

*Also, refer note 30.

5 Intangible assets

Particulars	Computer softwares	Total
Owned assets	Gross carrying value	
As at 1 April 2023	574	574
Additions	144	144
Disposals	-	-
As at 31 March 2024	718	718
As at 1 April 2024	718	718
Additions	160	160
Disposals	-	-
As at 31 March 2025	878	878
	Accumulated amortisation	
As at 1 April 2023	441	441
Amortisation expense	125	125
Disposals	-	-
As at 31 March 2024	566	566
As at 1 April 2024	566	566
Amortisation expense	124	124
Disposals	-	-
As at 31 March 2025	690	690
	Net carrying value	
As at 31 March 2024	152	152
As at 31 March 2025	188	188



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

6 Financial assets

6.1 Investments

	As at 31 March 2025	As at 31 March 2024
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 2025	As at 31 March 2024
<i>Unsecured, considered good</i>		
Employee loans	238	244
	238	244

6.3 Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
<i>Unsecured, considered good</i>		
Security deposits	416	369
Other assets (includes electricity, telephone deposits)	163	109
	579	478

7 Other non-current assets

Particulars	As at 31 March 2025	As at 31 March 2024
<i>Unsecured, considered good</i>		
Capital advances	219	238
Balance with government authorities	31	-
Deferred employee cost	20	21
	270	259

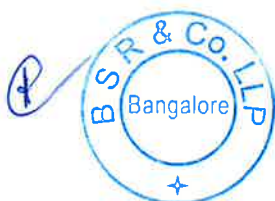
8 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials [refer (a) below]	15,047	10,735
Work-in-progress	7,420	7,357
Finished goods	2,294	2,341
Stores and spares	1,375	1,581
	26,136	22,014
a) Included above, goods in transit		
Raw materials	2,352	617

(i) The cost of inventories recognised as an expense during the period is INR 40,255 lakhs (Previous year : INR 40,058 lakhs).

(ii) The cost of inventories recognised as an expense includes reversal of INR 941 lakhs (Previous year: INR 120 lakhs) in respect of write down of inventory to net-realisable value.

(iii) Refer point (xvii) under material accounting policies for mode of valuation.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

9 Financial assets

9.1 Investments

Particulars	As at 31 March 2025		As at 31 March 2024	
	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
		<u>-</u>		<u>3,035</u>
Aggregate value of unquoted investments				3,035

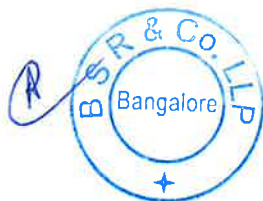
9.2 Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Considered good - unsecured*	20,167	17,717
Less: Loss allowance	(725)	(402)
	<u>19,442</u>	<u>17,315</u>
Credit impaired	1	-
Less: Loss allowance	(1)	-
	<u>-</u>	<u>-</u>
	<u>19,442</u>	<u>17,315</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%	0%
Less than 1 year	1%	4%
1 to 2 years	4%	5%
2 to 3 years	27%	35%
3 to 4 years	95%	100%
Over 4 years	100%	100%



9.2 Trade receivables (Continued)

a) Trade Receivables Ageing Schedule

Particulars	As at 31 March 2025							Total
	Unbilled	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	1,735	8,590	7,576	1,010	1,030	165	61	20,167
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	1	-	-	1
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit	-	-	-	-	-	-	-	-
	1,735	8,590	7,576	1,010	1,031	165	61	20,168
Less: Loss allowance								(726)
Trade Receivables - Net								19,442

Particulars	As at 31 March 2024							Total
	Unbilled	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	-	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 impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(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

9.2 Trade receivables (continued)

Movement in the expected credit loss allowance

Particulars

For the year ended 31 March 2025 For the year ended 31 March 2024

Balance at the beginning of the year
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses
Balance at the end of the year

402 346
323 56
725 402

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 2025 As at 31 March 2024

Cash and cash equivalents

Balances with banks
- current accounts

992 451
992 451

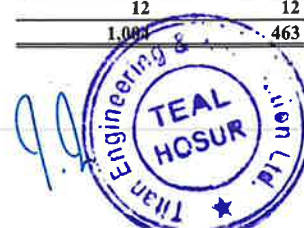
Total cash and cash equivalents

Other bank balances

- demand deposits
- Fixed deposits held as margin money against bank guarantee

12 12
12 12
1,004 463

Total other bank balances



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

9.4 Loans

Particulars

Unsecured, considered good
Employee loans

	As at 31 March 2025	As at 31 March 2024
	254	214
	254	214

9.5 Other financial assets

Particulars

Unsecured, considered good
Derivative instruments other than in designated hedge accounting relationships
Other receivables
Other financial assets {refer note (b) below}

	As at 31 March 2025	As at 31 March 2024
	44	99
	176	176
	877	1
	1,097	276

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 2025 and 31 March 2024.

(b) The government grant have been accounted for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to the grant.

10 Other current assets

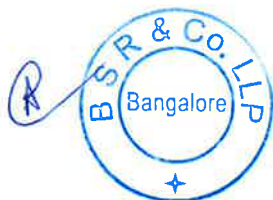
Particulars

Unsecured, considered good
Advances to suppliers
Prepaid expenses
Balance with government authorities {refer note (i) below}
Contract asset {refer note (ii) below}
Others assets (includes travel advances, employee dues)

	As at 31 March 2025	As at 31 March 2024
	750	1,136
	438	338
	1,465	3,819
	7,768	16,968
	308	1,109
	10,729	23,370

(i) Balance with revenue authorities includes GST credits of INR 421 lakhs (Previous year: INR 1,915 lakhs) in respect to GST input credit, transitional credit, deemed credit and refund on account of deemed exports.

(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.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

11 Equity Share capital
Particulars

Authorised share capital

60,000,000 (Previous year : 60,000,000) equity shares of par value of INR 10 each

Issued, subscribed and fully paid-up shares

47,050,000 (Previous year : 47,050,000) equity shares of par value of INR 10 each

	As at 31 March 2025	As at 31 March 2024
Authorised share capital	6,000	6,000
Issued, subscribed and fully paid-up shares	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:

Equity shares with voting rights

At the beginning of the year

At the end of the year

31 March 2025		31 March 2024	
Number	Amount	Number	Amount
4,70,50,000	4,705	4,70,50,000	4,705
4,70,50,000	4,705	4,70,50,000	4,705

c) Shareholders holding more than 5% in the Company

Name of shareholder

Titan Company Limited - the holding company

31 March 2025		31 March 2024	
Number	%	Number	%
4,70,50,000	100	4,70,50,000	100

d) Shares held by promoters

Promoter

Titan Company Limited

31 March 2025		31 March 2024		% of change
No. of shares held	% of total Shares	No. of shares held	% of total Shares	
4,70,50,000	100	4,70,50,000	100	-
4,70,50,000	100	4,70,50,000	100	-

Promoter

Titan Company Limited

As at 31 March 2025		As at 31 March 2024		% of change
No. of shares held	% of total Shares	No. of shares held	% of total Shares	
4,70,50,000	100	4,70,50,000	100	-
4,70,50,000	100	4,70,50,000	100	-

e) Information regarding issue of shares in last five years

- The Company has not issued any shares without payment being received in cash
- The Company has not issued any bonus shares
- The Company has not undertaken any buy-back of shares

12 Other equity

Particulars

Retained earnings{refer note (a)}

Securities premium{refer note (b)}

Other comprehensive income{refer note (c)}

	As at 31 March 2025	As at 31 March 2024
Retained earnings{refer note (a)}	28,181	19,713
Securities premium{refer note (b)}	18,754	18,754
Other comprehensive income{refer note (c)}	(394)	(342)
	46,541	38,125

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 2025 and 31 March 2024.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

13 Financial liabilities

13.1 Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Term loan*	3,324	3,300
	<u>3,324</u>	<u>3,300</u>

*The company has term loans with remaining tenure of 15 months to 40 months, out of which an amount of Rs 133 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 8.16 % 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 2025	As at 31 March 2024
Lease liabilities {refer note 30}	1,462	1,515
	<u>1,462</u>	<u>1,515</u>

13.3 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Other financial liabilities {refer note (a)}	550	262
	<u>550</u>	<u>262</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 2025	As at 31 March 2024
Deferred income in respect of government grants {refer note 36.2}	699	713
	<u>699</u>	<u>713</u>

15 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for compensated absences	1,894	1,740
Provision for pension	99	92
Provision for other employee benefits	383	237
Provision for warranty {refer note 19 (a)}	219	172
	<u>2,595</u>	<u>2,241</u>

16 Income taxes

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

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax assets	911	774
Deferred tax liabilities	(1,119)	(1,122)
	<u>(208)</u>	<u>(348)</u>

Particulars	As at 1 April 2024	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2025
Deferred tax liabilities				
Property, plant and equipment	(1,097)	(28)	-	(1,125)
Government grants	-	17	-	17
Derivative instruments in hedge relationship	(25)	14	-	(11)
	<u>(1,122)</u>	<u>3</u>	<u>-</u>	<u>(1,119)</u>
Deferred tax assets				
Intangible asset	7	(0)	-	7
Provisions for compensated absences, doubtful debts and others	670	119	-	789
Compensation towards voluntary retirement	71	(8)	-	63
Lease liabilities (net of Right-of-use assets)	26	26	-	52
	<u>774</u>	<u>137</u>	<u>-</u>	<u>911</u>
Net deferred tax (liability) / asset	<u>(348)</u>	<u>140</u>	<u>-</u>	<u>(208)</u>



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

16 Income taxes (Continued)

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)
	(995)	(127)	-	(1,122)
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
	672	102	-	774
Net deferred tax asset/(liability)	(323)	(25)	-	(348)

16.2 Amounts recognised in statement of profit and loss

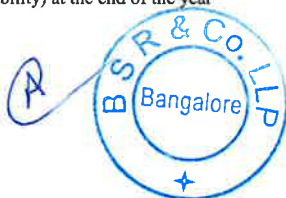
Particulars	As at 31 March 2025	As at 31 March 2024
Current tax	3,019	2,184
Deferred tax	(140)	25
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(18)	9
Tax expense for the year	2,862	2,218

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 2025	As at 31 March 2024
Profit before tax	11,330	8,644
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	2,852	2,176
Effect of:		
Expenses that are not deductible in determining taxable profit	21	18
Effect of tax pertaining to previous years	-	-
Tax charge/(credit) on gratuity disclosed in OCI	-	-
Others	(11)	24
Income tax expense recognised in the statement of profit and loss	2,862	2,218

16.4 The following table provides the details of income tax assets and income tax liabilities as of 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax assets (net)	203	200
Current tax liabilities (net)	(798)	(528)
Net current income tax asset/(liability) at the end of the year	(595)	(328)
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Net current income tax asset/(liability) at the beginning of the year	(328)	150
Income tax paid (net)	2,717	1,724
Current income tax expense	(3,002)	(2,193)
Tax pertaining to previous years	-	-
Income tax on other comprehensive income and others	18	(9)
Net current income tax asset/(liability) at the end of the year	(595)	(328)



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities

17.1 Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Term loan {refer note 13.1}	133	27
Loan from bank {refer note (i)}	1,886	13,264
Bill discounting {refer note (ii)}	1,257	1,725
	3,276	15,016

(i) The interest rate on the loan from bank is 7.75% - 8.90% p.a (previous year 5.25% - 9.10%). The interest is payable at monthly intervals and the loan is unsecured.

(ii) During the year ended 31 March 2025, the Company has entered into an arrangement with Receivable Exchange of India limited ('RXIL') with a credit period of 76 to 89 days and interest rate ranging from 7.00% to 7.90% towards reverse factoring of MSME payments. These loans are unsecured.

17.2 Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease liabilities {refer note 30}	528	338
	528	338

17.3 Trade payables

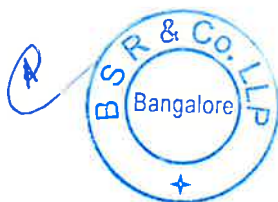
Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables		
Total outstanding dues of micro and small enterprises {Refer note (b) below}	1,707	731
Total outstanding dues of other than micro and small enterprises *	7,653	7,470
	9,360	8,201

* Includes dues to related parties, refer note 34

Particulars	As at 31 March 2025					Total
	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,707	-	-	-	-	1,707
Others	2,819	4,684	117	11	21	7,653
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	4,526	4,684	117	11	21	9,360

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

*Includes unbilled dues amounting to ₹ 4,285 lakhs



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025

(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:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2025. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditor.

Particulars	As at 31 March 2025	As at 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	1,707	731
- 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*	646	324
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.	0	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0	-
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 2025	As at 31 March 2024
Payables on purchase of property, plant and equipment	180	451
Other financial liabilities		
- Employee related	2,424	1,769
- Others (includes liability towards shortfall in PF trust, retentions, LIC and salary deductions payable)	172	83
	2,776	2,303

18 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from customers	9,166	15,367
Statutory dues (TDS, PF etc.)	329	281
Contract liability {refer note (i) below}	1,218	1,031
Deferred Revenue	1,544	-
Deferred income in respect of government grants {refer note 36.2}	83	76
Other current liabilities	25	212
	12,365	16,967

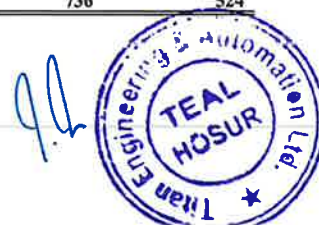
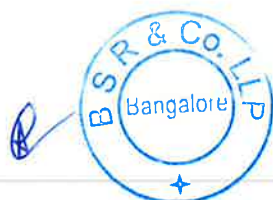
(i) Contract liability represents billing in excess of revenue for the projects for which revenue is recognised over a period of time. Also refer note 20.

19 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for compensated absences	248	251
Provision for other employee benefits	53	44
Provision for gratuity {refer note 32}	569	213
Provision for warranty {refer note (a) below}	517	352
	1,387	860

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

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	524	189
Provisions made during the year	527	411
Utilisations/ reversed during the year	(315)	(76)
Balance at the end of the year	736	524



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		
Automation solutions	50,376	41,830
Aerospace and defence	32,050	26,750
Total - Sale of products (a)	82,426	68,580
Income from services provided (b)	3,217	6,173
Other operating revenues		
Other receipts (Duty Drawback benefits)	421	476
Sale of scrap	512	333
Total - Other operating revenue (c)	933	809
Revenue from operations (a+b+c)	86,576	75,562

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 2025	For the year ended 31 March 2024
Contracted price	86,576	75,562
Reductions towards variable consideration components	-	-
Revenue recognised	86,576	75,562

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 2025	For the year ended 31 March 2024
India	36,150	35,152
Rest of the world	50,426	40,410
Total revenue from operations	86,576	75,562

ii) Contract balances

	For the year ended 31 March 2025	For the year ended 31 March 2024
Trade receivables (gross) (including unbilled receivables)	20,168	17,717
Contract liabilities (including advances from customers)	10,384	16,398
Contract assets	7,768	16,968
Deferred revenue	1,544	-

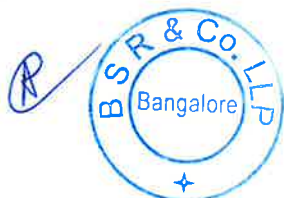
iii) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Within one year	7,768	16,968
More than one year	-	-
	7,768	16,968

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

iii) Disaggregation by timing of revenue recognition

	For the year ended 31 March 2025	For the year ended 31 March 2024
Goods or services transferred at point in time	51,972	34,199
Goods or service transferred over time	34,604	41,363
	86,576	75,562



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

21 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from employee loans	48	39
Income from trade investments	115	95
Exchange gain (net)	-	77
Government grant {refer note 36.2}	58	34
Miscellaneous income {refer note (a) below}	210	222
	431	467

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

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Closing stock		
Finished goods	2,294	2,341
Work-in progress	7,420	7,357
	9,714	9,698
Opening stock		
Finished goods	2,341	1,869
Work-in progress	7,357	4,759
	9,698	6,628
(Increase) / decrease in inventory	(16)	(3,070)

23 Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	14,243	11,657
Company's contribution to provident and other funds		
- Gratuity {refer note 32(c)}	498	251
- provident and other funds {refer note 32(a and b)}	697	517
Employee stock compensation expense {refer note 33}	289	262
Staff welfare expenses	2,142	1,776
	17,869	14,463

24 Finance costs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on borrowings*	1,304	779
Interest on lease liability	202	168
Interest others	347	201
	1,853	1,148

*The interest rate on the short term loan is 5.35% - 9.30% p.a. The interest is payable at monthly intervals.

25 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 3.1)	3,100	2,585
Amortisation of intangible assets and ROU (refer note 4 & 5)	690	589
	3,790	3,174



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)
26 Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Agency labour	2,381	1,534
Power and fuel	1,115	982
Repairs and maintenance		
- Buildings	112	146
- Plant and machinery	493	362
Legal and Professional charges {refer note (a) below}	1,216	974
Software expenses	347	230
Advertising and sales promotion	82	47
Royalty	156	89
Selling and distribution expenses	909	557
Insurance	137	111
Rent and Maintenance {refer note 30}	2	9
Rates and taxes	321	153
Recruitment charges	142	177
Telephone and internet charges	73	84
Training expenses	153	130
Travel and conveyance	2,633	2,024
Bad debts written off	185	1
Less: Provision released	(185)	(1)
Provision for doubtful debts/ advances	509	89
Loss on sale / disposal / scrapping of property, plant and equipment (net)	5	2
Expenditure on corporate social responsibility {refer note (b) below}	102	66
Exchange loss (net)	576	-
Miscellaneous expenses	354	713
Commission to non-whole-time Directors	92	63
	11,910	8,542

26 Other expenses (Continued)
(a) Auditors Remuneration

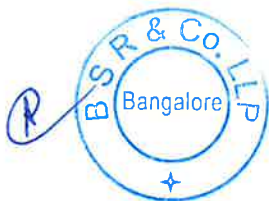
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
For Statutory accounts	28	22
For services including tax audit and out of pocket expenses	8	6
	36	28

(b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: INR 102 lakhs (Previous year: INR 66 lakhs).

(ii) Amount spent during the year on:

	For the year ended 31 March 2025	For the year ended 31 March 2024
1. Amount required to be spent by the company during the year (refer note below a)	102	66
2. Amount approved by the Board to be spent during the year	102	66
3. Amount of expenditure incurred on:		
- Construction/acquisition of any asset	65	28
- On purposes other than above	12	13
4. Shortfall at the end of the year	-	-
5. Total of previous years shortfall	-	-
6. Reason for short fall	NA	NA
7. Nature of CSR Activities	Health, Education, Skill development, Disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship, Health care centers.	



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

(iii) CSR Contribution to Related parties ;

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Related Parties	-	-
Unrelated parties	77	41
	<u>77</u>	<u>41</u>

Note (a) : The Company had contributed INR 79 lakhs in excess of the required contribution in the year ended March 31, 2023. The excess contribution made has been utilised by the company during the current year and previous year and the balance amount unutilised as on 31 March 2025 amounts to INR 29 lakhs and is grouped under "other current assets".

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 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Automation solutions	53,087	48,056	7,816	6,387
Aerospace and defence	33,920	27,506	5,366	3,405
	<u>87,007</u>	<u>75,562</u>	<u>13,182</u>	<u>9,792</u>
Finance costs			1,853	1,148
Profit before taxes			<u>11,329</u>	<u>8,644</u>

27 Segment information (Continued)

c) Segment assets and liabilities

Segment assets

	For the year ended 31 March 2025	For the year ended 31 March 2024
Automation solutions	45,357	53,507
Aerospace and defence	42,842	37,889
Corporate (unallocated)	2,375	4,026
	<u>90,574</u>	<u>95,422</u>

Segment liabilities

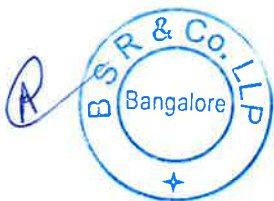
	For the year ended 31 March 2025	For the year ended 31 March 2024
Automation solutions	25,091	28,380
Aerospace and defence	9,200	10,078
Corporate (unallocated)	5,037	14,134
	<u>39,328</u>	<u>52,592</u>

Geographical Segments:

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue		
India	36,581	35,619
Outside India	50,426	40,410

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.



Titan Engineering & Automation Limited**Notes to the financial statements for the year ended 31 March 2025***(All amounts in INR lakhs, unless otherwise stated)***27.1 Information about major customers**

Included in revenues arising from direct sales of INR 85,643 lakhs (Previous year: INR 74,753 lakhs) are revenues of approximately INR 18,776 lakhs (Previous year: INR 12,192 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 2025	For the year ended 31 March 2024
Profit for the year (INR in lakhs)	8,468	6,426
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)	18.00	13.66

29 Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 1,630 lakhs (Previous year: INR 2,680 lakhs).

30 Leases**30.1 Amounts recognised in balance sheet**

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Right-of-use assets	4		
Building		1,868	1,839
Land		-	-
		<u>1,868</u>	<u>1,839</u>
(ii) Lease liabilities			
Non-current	13.2	1,462	1,515
Current	17.2	528	338
		<u>1,990</u>	<u>1,853</u>

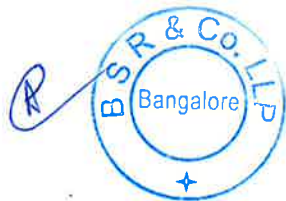
30.2 Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Depreciation and amortisation expense	4		
Building		566	460
Land		-	4
		<u>566</u>	<u>464</u>
(ii) Interest expense (included in finance cost)	24	202	168
(iii) Expense relating to short-term leases {refer note (a) below}	26	2	9
(iv) Expense relating to leases of low-value assets	26	-	-
(v) Expense relating to variable lease payments	26	-	-

(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 loss.

(b) The total cash outflow for the year ended 31 March 2025 amounts to INR 629 lakhs. (Previous year: INR 486 lakhs).

(c) The company does not have any expense for low-value assets and variable lease payments.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

30 Leases (Continued)

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Rent is lower by	629	486
Depreciation and amortisation is higher by	(566)	(464)
Finance cost is higher by	(202)	(168)
	(139)	(146)

The Company has discounted lease payments using applicable incremental borrowing rate of 10% (Previous year: 9.25% to 10%) for measuring the lease liability.

30.4 The amount of lease commitment for short term leases as at 31 March 2025 is Nil (Previous year: Nil)

31 Contingent liabilities

	As at 31 March 2025	As at 31 March 2024
Contingent liability:		
Indirect tax matters (refer note below)	227	310

Note:

The company has received a demand notice amounting to Rs 310 lakhs during the previous 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 has filed an appeal with commissioner and deposited Rs. 31 lakhs with the GST authorities.

32 Employee benefits

a) Defined Contribution Plans

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

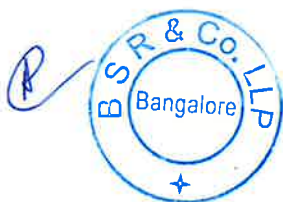
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Superannuation fund	105	67
National pension scheme	48	27
Employee pension fund	209	165
	362	259

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 2025	For the year ended 31 March 2024
Provident fund*	335	258
	335	258

* 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 2025, 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.



Titan Engineering & Automation Limited**Notes to the financial statements for the year ended 31 March 2025***(All amounts in INR lakhs, unless otherwise stated)***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 2025	For the year ended 31 March 2024
Discount rate (p.a.)	6.75%	7.20%
Salary escalation rate (p.a.)		
- Non-management	8.00%	8.00%
- Management	8.00%	8.00%
- 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 2025	For the year ended 31 March 2024
21-30	15%	0%
31-45	5%	0%
21-44	0%	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 2025	For the year ended 31 March 2024
Current service cost	285	219
Past service cost	205	-
Interest on net defined benefit liability / (asset)	8	31
Total component of defined benefit costs charge to the statement of profit and loss	498	250



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(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 2025	For the year ended 31 March 2024
Opening amount recognised in other comprehensive income outside profit and loss account	313	350
Remeasurements during the period due to:		
- Changes in financial assumptions	169	74
- Changes in demographic assumptions	(24)	-
- Experience adjustments	179	91
- Actual return on plan assets less interest on plan assets	(254)	(202)
Closing amount recognised in other comprehensive Income/loss	383	313

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 2025	For the year ended 31 March 2024
Opening net defined benefit liability/ (asset)	213	445
Expense charged to profit and loss account	498	250
Amount recognised outside statement of profit and loss	70	(37)
Employer contributions	(212)	(445)
Closing net defined benefit liability/ (asset)	569	213

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening defined benefit obligation	3,007	2,557
Current service cost	285	219
Past service cost	205	-
Interest cost	211	185
Remeasurement due to		
- Actuarial gains and losses arising from changes in financial assumptions	169	74
- Actuarial gains and losses arising from changes in demographic assumptions	(24)	-
- Actuarial gains and losses arising from experience adjustments	179	91
Benefits paid	(48)	(119)
Closing defined benefit obligation	3,984	3,007

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening fair value of plan assets	2,794	2,112
Employer contributions	213	445
Interest on plan assets	203	154
Remeasurements due to actuarial return on plan assets less interest on plan assets	253	202
Benefits paid	(48)	(119)
Closing fair value of plan assets	3,415	2,794



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025

(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 2025			
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	3,795	4,184	3,934
Defined benefit obligation on minus 50 basis points	4,187	3,796	4,035

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

Maturity profile of defined benefit obligation

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
With in year 1	229	157
1 year to 2 years	214	124
2 years to 3 years	420	181
3 years to 4 years	500	350
4 years to 5 years	438	397
Over 5 years	7,252	6,204

The weighted average duration to the payment of these cash flows is 9.83 years
The Company is expected to contribute INR 569 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 2025		For the year ended 31 March 2024	
	Quoted	Unquoted	Quoted	Quoted
Government debt instruments	1,637	-	1,588	-
Other debt instruments	666	-	677	-
Entity's own equity instruments	325	-	296	-
Others	518	268	-	233



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

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 liabilities. The detail below captures the information of the entire plan of the Holding Company.

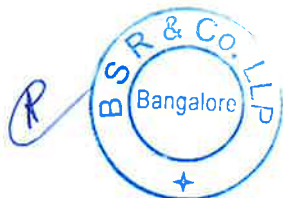
*The weighted average remaining contractual life of the options outstanding as of March 31, 2025 was 1.16 years.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
No of options granted	600	43,400
Risk free interest rate	6.80	6.8 - 6.9
Expected life of options granted	3.0	2.2 - 3.0
Expected volatility (weighted average)	40.00	28.5 - 46.3
Dividend Yield (%)	0.33	0.30
Weighted average fair value of options per share (₹)	3,561	2,674
Exercise price (in ₹)	1	1

34 Related parties:

i) Relationship

- | | |
|-----------------------------------|--|
| a) Holding company | Titan Company Limited |
| b) Subsidiaries | TEAL USA Inc. |
| c) Fellow subsidiaries | <p>Caratlane Trading Private Limited</p> <p>TCL Watches switzerland AG (Formerly Favre Leuba AG, Switzerland) (ceased to be a wholly owned subsidiary w.e.f March 31, 2024)</p> <p>Titan Watch Company Hong Kong Limited (100% subsidiary of Titan Holdings International FZCO)</p> <p>Titan Holdings International FZCO</p> <p>Titan Global Retail L.L.C</p> <p>Titan International QFZ, Qatar</p> <p>Titan Commodity Trading Limited</p> <p>StudioC Inc (Wholly owned subsidiary of Caratlane Trading Private Limited)</p> <p>TCL North America Inc.</p> |
| d) Other related parties | Green Infra Windpower Theni Limited |
| e) Promoter of holding company | <p>Tata Sons Private Limited</p> <p>Tamilnadu Industrial Development Corporation Limited</p> |
| f) Key Management Personnel (KMP) | <p>Mr. N P Sridhar, Managing Director (w.e.f August 1st , 2024)</p> <p>Mr. Balamurugan B, CFO</p> <p>Ms. Sariga P Gokul, Company Secretary</p> <p><u>Non - executive Directors</u></p> <p>Mr. Ashok Kumar Sonthalia</p> <p>Ms. Suparna Mitra</p> <p>Mr. N Kailasanathan</p> <p>Mr. Sanjeev Sharma</p> <p>Mr. Subramanyam Gopal (w.e.f. May 1st, 2024)</p> <p>Mr. Venkataraman Krishnamurthy Coimbatore</p> |



Titan Engineering & Automation Limited

Notes to the financial statements for the year ended 31 March 2025

(All amounts in INR lakhs, unless otherwise stated)

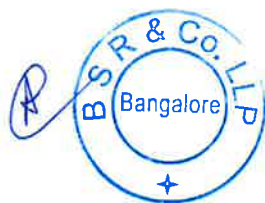
g) Group entities

(Wherever there are transactions)

Tata Consultancy Services Limited
Tata SmartFoodz Limited
Tata Teleservices Limited
915 Labs LLC
Tata Advanced System Limited
Tata Communications
Tata Medical and Diagnostics Limited
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 Limited
Tata Power Renewable Energy Limited
Tata Power Solar Systems Limited
Innovative Retail Concepts Private Limited
Tata Technologies Limited
Tata Power Company Limited
Tata AIG General Insurance
Infiniti Retail Limited
TVS Motor Company Indonesia
Tata AIG General Insurance Company Limited
Roots Corporation Limited
Tata Electronics Systems Solutions Private Limited
Toyota Kirloskar Auto Parts Pvt Ltd
TEL Components Private Limited
TitanX Engine Cooling Inc.

h) Post employee benefit plan entities

Titan Watches Provident Fund
Titan Watches Super Annuation Fund
Titan Industries Gratuity Fund

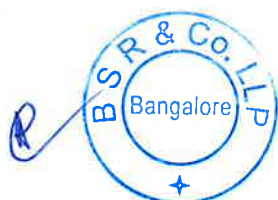


Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025

(All amounts in INR lakhs, unless otherwise stated)

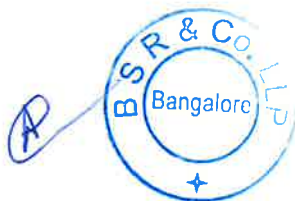
ii) Related party transactions during the year :

	Relationship	For the year ended 31 March 2025	For the year ended 31 March 2024
<i>Cost of materials consumed</i>			
Titan Company Limited	Holding company	0	49
Tata Power Company Limited	Group entities	-	2
Tata Electronics Private Limited	Group entities	11	-
Harita NTI Limited	Group entities	3	-
<i>Purchase of Asset</i>			
Tata Power Solar Systems Limited	Group entities	-	58
Infiniti Retail Limited	Group entities	23	-
<i>Revenue from operations</i>			
Titan Company Limited	Holding company	23	67
Tata Consultancy Services Limited	Group entities	219	-
Tata Electronics Private Limited	Group entities	1,768	1,137
Tata Electronics Systems Solutions Private Limited	Group entities	292	-
Toyota Kirloskar Auto Parts Private Limited	Group entities	39	-
TEL Components Private Limited	Group entities	0	-
Tata Teleservices Limited	Group entities	-	6
Tata Consultancy Services Limited	Group entities	-	6
Tata Communications	Group entities	-	8
Tata Technologies	Group entities	-	10
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
<i>Reimbursement towards rendering of services / expenses</i>			
Titan Company Limited	Holding company	5	-
Balamurugan B	KMP	2	-
Sridhar N P	KMP	0	9
<i>Employee stock compensation expense</i>			
Titan Company Limited	Holding company	289	262
<i>Miscellaneous expenses</i>			
Tata Sons Private Limited	Promoter of holding company	156	-
Titan Company Limited	Holding company	329	241
Tata AIG General Insurance Company Limited	Group entities	64	-
Tata Power Renewable Energy Limited	Group entities	51	-
Tata AIA Life Insurance Company Limited	Group entities	10	-
Supermarket Grocery Supplies Private Limited	Group entities	-	1
Infinity Retail limited	Group entities	-	15
Innovative Retail Concepts Pvt Ltd	Group entities	2	-
Roots Corporation Limited	Group entities	18	-
Tata Communications	Group entities	1	-
Tata Consultancy Services Limited	Group entities	19	-
Tata Teleservices Limited	Group entities	7	-
Tata Technologies Limited	Group entities	13	-
Tata Electronics Private Limited	Group entities	-	11
<i>Dividend paid</i>			
Titan Company Limited	Holding company	-	-
<i>Income from service provided</i>			
Tata SmartFoodz Limited	Group entities	21	-
Tata Advanced System Limited	Group entities	93	25
Tata Electronics Private Limited	Group entities	29	-



Titan Engineering & Automation Limited**Notes to the financial statements for the year ended 31 March 2025***(All amounts in INR lakhs, unless otherwise stated)*

		For the year ended 31 March 2025	For the year ended 31 March 2024
<i>Key managerial personnel compensation</i>			
Managerial remuneration	KMP	246	213
Commission and sitting fees	KMP	210	125
Performance stock units (fair value of options)	KMP	80	243
<i>Key managerial personnel compensation</i>			
Gratuity	KMP	91	66
Compensated absences	KMP	63	54
Long service award	KMP	0	0
<i>Miscellaneous Income</i>			
TitanX Engine Cooling Inc.	Group entities	10	-
<i>Contribution to Trust funds</i>			
Titan Watches Provident Fund	Post employee benefit plan entities	1,215	1,029
Titan Watches Super Annuation Fund	Post employee benefit plan entities	100	76
Titan Industries Gratuity Fund	Post employee benefit plan entities	213	445



Titan Engineering & Automation Limited**Notes to the financial statements for the year ended 31 March 2025***(All amounts in INR lakhs, unless otherwise stated)***iii) Related party closing balances as on balance sheet date:**

		As at 31 March 2025	As at 31 March 2024
Outstanding - net payables			
Titan Company Limited	Holding company	138	196
Tata Sons Private Limited	Promoter of holding company	156	-
Tata Consultancy Services Limited	Group entities	221	316
Tata Electronics Private Limited	Group entities	11	81
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	5	4
Others	Group entities	2	-
Outstanding - net receivable			
Tata Advanced Materials Limited	Group entities	-	0
Toyota Kirloskar Auto Parts Private Limited	Group entities	94	-
Tata Electronics Private Limited	Group entities	841	1
Tata SmartFoodz Limited	Group entities	3	1
Tata Advanced System Limited	Group entities	53	-
Tata AIG General Insurance Company Limited	Group entities	110	-
Others	Group entities	1	1
Outstanding- Other financial liabilities			
Titan Company Limited	Holding company	550	262

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.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

35 Financial instruments

35.1 Categories of financial instruments

Financial assets

Particulars

As at
31 March 2025 **As at**
31 March 2024

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

19,442 17,315

- Cash and cash equivalents

992 451

- Bank balances other than cash and cash equivalents

12 12

- Security deposits

416 369

- Other assets

1,216 286

- Employee loans

492 458

Total financial assets measured at amortised cost (b)

22,570 18,891

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

44 99

Total financial assets (a + b + c)

22,614 22,025

Financial liabilities

Particulars

As at
31 March 2025 **As at**
31 March 2024

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

6,600 18,316

- Trade payables

9,360 8,201

- Lease liability

1,990 1,853

- Other financial liabilities

3,326 2,565

Total financial liabilities measured at amortised cost (b)

21,276 30,935

Total financial liabilities (a + b)

21,276 30,935

(i) Fair value hierarchy

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

Particulars

Financial assets and liabilities measured at fair value

As at 31 March 2025
Level 1 Level 2 Level 3 Total

Financial assets

- Derivative instruments other than in designated hedge accounting relationships

- 44 - 44

Total financial assets

- 44 - 44

Financial liabilities

- Derivative instruments other than in designated hedge accounting relationships

- - - -

Total financial liabilities

- - - -

Particulars

Financial assets and liabilities measured at fair value

As at 31 March 2024
Level 1 Level 2 Level 3 Total

Financial assets

- Quoted investments at FVTPL

- 3,035 - 3,035

- Derivative instruments other than in designated hedge accounting relationships

- 99 - 99

Total financial assets

- 3,134 - 3,134

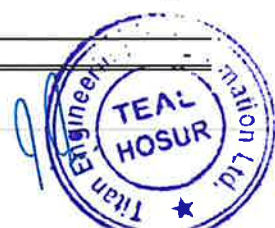
Financial liabilities

- Derivative instruments other than in designated hedge accounting relationships

- - - -

Total financial liabilities

- - - -



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 2025			
Non-derivatives			
Borrowings*	3,276	3,324	6,600
Trade payables	9,210	150	9,360
Lease liability	699	1,625	2,324
Other financial liabilities	3,326	-	3,326
Total non-derivative liabilities	16,511	5,099	21,610
Derivative instruments other than in designated hedge accounting relationships	-	-	-
	16,511	5,099	21,610

Contractual maturities of financial liabilities	less than 1 year	more than 1 year	Total
As at 31 March 2024			
Non-derivatives			
Borrowings*	15,016	-	15,016
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	2,385	28,243
Derivative instruments other than in designated hedge accounting relationships	-	-	-
	25,858	2,385	28,243

*Borrowings disclosed in the above table is excluding interest.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(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 2025		As at 31 March 2024	
	Foreign Currency (in lakhs)	Amount in INR	Foreign Currency (in lakhs)	Amount in INR
<i>Trade Receivables</i>				
- EUR	36.28	3,341	54.90	4,934
- USD	56.59	4,837	67.73	5,649
- GBP	0.31	34	0.38	40
<i>Bank balances</i>				
- EUR	2.06	189	0.17	15
<i>Advances to suppliers</i>				
- EUR	1.92	176	1.06	95
- USD	1.81	155	2.27	189
- CAD	-	-	0.00	0
- GBP	0.31	35	0.06	6
- JPY	-	-	6.22	3
- SGD	0.51	33	0.01	1
<i>Trade Payables</i>				
- EUR	1.96	180	12.59	1,131
- USD	14.45	1,235	14.29	1,192
- CAD	-	-	-	-
- GBP	0.38	42	0.13	14
- JPY	-	-	2.00	1
- SGD	0.01	1	0.25	16
<i>Advance from customers</i>				
- EUR	9.06	834	25.56	2,298
- USD	7.63	652	73.01	6,089

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:

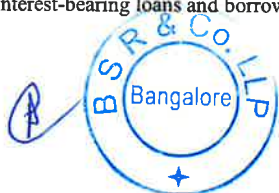
The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 50 basis point change in foreign currency rates. There is a decrease in profit or equity by INR 25 lakh (Previous year: INR 1 lakhs) where the INR strengthens 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 2025
(All amounts in INR lakhs, unless otherwise stated)

36.2 Government grants

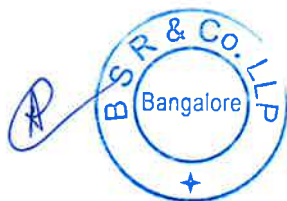
	As at 31 March 2025	As at 31 March 2024
As at 1 April	789	-
Recognised during the year	51	823
Released to the statement of profit and loss	(58)	(34)
As at 31 March	782	789
Current	83	76
Non-Current	699	713

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 Subsequent events

On April 4, 2025, subsequent to the balance sheet date of March 31, 2025, the Company entered into business transfer agreement with Justech Precision Industry India Private Limited to acquire the business undertaking on a going concern basis by way of slump sale for estimated consideration of ₹ 6,252 Lakhs.

Established in 2019, Justech Precision is a wholly owned subsidiary of Jiangsu Justech Precision Industry Co. Ltd, headquarter in China. The company operates a single plant located in Chennai, India, and specializes in manufacturing custom automation equipment, primarily focusing on assembly and testing solutions. The transaction is undertaken with the objective of acquiring significant technical expertise in providing Onsite Support Services.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)
38 Financial Ratios

Particulars	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variance %
a) Current Ratio	Total current assets	Total current liabilities	1.92	1.51	28%
b) Debt-Equity Ratio {refer note (a)}	Debt consists borrowings and lease liabilities	Total equity	0.17	0.47	-64%
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	1.06	6.91	-85%
d) Return on Equity Ratio	Profit for the year (Net Profit after Tax)	Average total equity	18%	16%	13%
e) Inventory turnover ratio	Cost of goods sold	Average inventory	1.67	2.13	-21%
f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	4.71	4.94	-5%
g) Trade payables turnover ratio {refer note (c)}	Net purchases	Average trade payables	4.26	6.41	-34%
h) Net capital turnover ratio	Revenue from operations	Working capital (Current Assets - Current Liabilities)	3.07	3.36	-9%
i) Net profit ratio	Profit for the year (after Tax)	Revenue from operations	9.8%	8.5%	15%
j) Return on Capital employed {refer note (d)}	Profit before tax and finance cost	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	22.7%	16.0%	42%
k) Return on investments {refer note (e)}	Income generated from invested funds	Average invested funds in treasury investments	7.6%	3.7%	105%

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

- Decrease in debt in the current year has resulted in increase in the ratio.
- Decrease in the debt service coverage ratio is due to principal repayments.
- Decrease in purchases and slower turn around for payables has resulted in increase in the ratio.
- 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.



Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless otherwise stated)

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

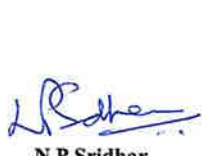
for and on behalf of the Board of Directors of
Titan Engineering & Automation Limited
(CIN: U33111TZ2015PLC021232)


Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 5 May 2025




N P Sridhar
Managing Director

DIN: 03375241

Place: Bengaluru
Date: 5 May 2025


Ashok Sonthalia
Director

DIN: 03259683

Place: Bengaluru
Date: 5 May 2025


Balamurugan B
Chief Financial Officer

M.No : 216020

Place: Bengaluru
Date: 5 May 2025


Sariga P Gokul
Company Secretary

M.No : A39637

Place: Bengaluru
Date: 5 May 2025

