B S R & Co. LLP
Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
No. 13/2, off Intermediate Ring Road
Bengaluru - 560 071, India
Telephone: +91 80 4682 3000
Fax: +91 80 4682 3999

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 2026, 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 2026, 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.

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.

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 2026 to 10 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 2026 on its financial position in its financial statements - Refer Note 32 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 41(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 41(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. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, except where the audit trail was not enabled in previous years, the audit trail has 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

Amit Aggarwal

Partner

Place: Bengaluru

Date: 07 May 2026

Membership No.: 521774

ICAI UDIN:26521774YYHUKO5966

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2026

(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)	7,854	Titan Company Limited	Promoter	From 24 March 2015 (Date of incorporation)	Refer Note below

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

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

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

(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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees and made investments in companies, in respect of which the requisite information is provided in clause (a) to (f) as below to the extent applicable. The Company has not made any investments in, given guarantees or granted any loans, secured or unsecured, to firms, limited liability partnership or any other parties.

(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	-	-	466	-
Balance outstanding as at balance sheet date Subsidiaries* Joint ventures* Associates* Others*	-	-	514	-

**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 and investments made are, prima facie, not prejudicial to the interest of the Company. Further, the Company has 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 the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(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.

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 2026 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 or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2026 *(Continued)*

Name of the statute	Amount (INR in Lakshs)*	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise, Service Tax and VAT	15	July 2017 to March 2020	Commissioner of GST & Central Excise (Appeals)	
Goods and Service Tax	1,386	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 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2026 *(Continued)*

(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 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Titan Engineering & Automation Limited for the year ended 31 March 2026 *(Continued)*

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

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

Chartered Accountants

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

Amit Aggarwal

Partner

Membership No.: 521774

ICAI UDIN:26521774YYHUKO5966

Place: Bengaluru

Date: 07 May 2026

Annexure B to the Independent Auditor's Report on the financial statements of Titan Engineering & Automation Limited for the year ended 31 March 2026

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 2026 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 2026, 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 2026 *(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

Membership No.: 521774

ICAI UDIN:26521774YYHUKO5966

Place: Bengaluru

Date: 07 May 2026

Titan Engineering & Automation Limited
Balance sheet as at 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	35,037	28,250
Capital work-in-progress	3.2	3,935	316
Right-of-use assets	4	4,399	1,868
Goodwill	5	391	-
Other intangible assets	6	2,052	188
Intangible assets under development	6.1	278	-
Financial assets			
(i) Investments	7.1	1	-
(ii) Loans	7.2	231	238
(iii) Other financial assets	7.3	1,060	579
Deferred tax assets (net)	17	117	-
Other tax assets (net)	17	188	203
Other non-current assets	8	985	270
Total non-current assets		**48,675**	**31,912**
Current assets			
Inventories	9	29,277	26,136
Financial assets			
(i) Investments	10.1	5,307	-
(ii) Trade receivables	10.2	23,075	19,442
(iii) Cash and cash equivalents	10.3	5,852	992
(iv) Bank balances other than (iii) above	10.3	12,013	12
(v) Loans	10.4	283	254
(vi) Other financial assets	10.5	55	1,097
Other current assets	11	10,434	10,729
Total current assets		**86,296**	**58,662**
TOTAL ASSETS		**1,34,971**	**90,574**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	4,705	4,705
Other equity	13	65,289	46,541
Total equity		**69,994**	**51,246**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14.1	-	3,324
(ii) Lease liabilities	14.2	2,995	1,462
(iii) Other financial liabilities	14.3	760	550
Provisions	16	2,465	2,595
Deferred tax liabilities (net)	17	-	208
Other non current liabilities	15	647	699
Total non-current liabilities		**6,867**	**8,838**
Current liabilities			
Financial liabilities			
(i) Borrowings	18.1	16,045	3,276
(ii) Lease liabilities	18.2	1,400	528
(iii) Trade payables	18.3		
- Total outstanding dues of micro and small enterprises		6,081	1,707
- Total outstanding dues of other than micro and small enterprises		6,705	7,653
(iv) Other financial liabilities	18.4	8,634	2,776
Other current liabilities	19	14,007	12,365
Provisions	20	4,531	1,387
Current tax liabilities (net)	17	707	798
Total current liabilities		**58,110**	**30,490**
TOTAL EQUITY AND LIABILITIES		**1,34,971**	**90,574**
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

Amit Aggarwal
Partner
Membership No : 521774

Place: Bengaluru
Date: 07 May 2026

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

N P Sridhar
Managing Director
DIN : 03375241

Place: Bengaluru
Date: 28 April 2026

Ashok Sonthalia
Director
DIN: 03359683

Place: Bengaluru
Date: 28 April 2026

Balamurugan B
Chief Financial Officer
M.No : 216020

Place: Bengaluru
Date: 28 April 2026

Ramchandra Hanumasagar
Company Secretary
M.No : A57286

Place: Bengaluru
Date: 28 April 2026

B S R & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

Titan Engineering & Automation Limited
Statement of profit and loss for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from operations	21	1,49,653	86,576
Other income	22	218	431
Total income		**1,49,871**	**87,007**
Expenses:			
Cost of materials consumed		67,810	40,271
Change in inventories of finished goods, stock-in-trade and work-in-progress	23	(2,125)	(16)
Employee benefits expense	24	26,726	17,869
Finance costs	25	1,683	1,853
Depreciation and amortisation expense	26	5,976	3,790
Other expenses	27	22,812	11,910
Total expenses		**1,22,882**	**75,677**
Profit before tax and exceptional items		**26,989**	**11,330**
Exceptional items (Refer note 40)		1,138	-
Profit before tax		**25,851**	**11,330**
Tax expense:			
Current tax	17	6,855	3,002
Deferred tax	17	(238)	(140)
Total tax expense		**6,617**	**2,862**
Profit for the year		**19,234**	**8,468**
Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of the employee defined benefit plans		(305)	(70)
- Income tax on above		77	18
(ii) Items that will be reclassified to the statement of profit and loss			
- Effective portion of gains/(losses) on cash flow hedges		(345)	-
- Income tax on above		87	-
Total other comprehensive income, net of tax		**(486)**	**(52)**
Total comprehensive income for the year		**18,748**	**8,416**
Earnings per equity share of Rs 10:			
Basic and diluted (Rs.)	29	40.88	18.00
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

Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 07 May 2026

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

N P Sridhar	**Ashok Sonthalia**	**Balamurugan B**	**Ramchandra Hanumasagar**
Managing Director	*Director*	*Chief Financial Officer*	*Company Secretary*
DIN : 03375241	DIN : 03259683	M.No : 216020	M.No : A57286
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026

Titan Engineering & Automation Ltd.
TEAL HOSUR

Titan Engineering & Automation Limited
Statement of changes in equity for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(a) Equity share capital		
Opening balance	4,705	4,705
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Closing balance	**4,705**	**4,705**

(b) Other equity

Particulars	Reserves and surplus		Items of OCI		
	Securities premium (Note 13)	Retained earnings (Note 13)	Remeasurement of employee defined benefit plans (Note 13)	Cash flow hedge reserve (Note 13)	Total other equity
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**
Balance as at 1 April 2025	18,754	28,181	(394)	-	46,541
Profit for the year (net of taxes)	-	19,234	-		19,234
Other comprehensive income for the year (net of taxes)	-	-	(228)	(258)	(486)
Balance as at 31 March 2026	**18,754**	**47,415**	**(622)**	**(258)**	**65,289**

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

Amit Aggarwal
Partner
Membership No : 521774
Place: Bengaluru
Date: 07 May 2026

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

N P Sridhar
Managing Director
DIN: 03375241
Place: Bengaluru
Date: 28 April 2026

Ashok Sonthalia
Director
DIN: 03259683
Place: Bengaluru
Date: 28 April 2026

Balamurugan B
Chief Financial Officer
M.No : 216020
Place: Bengaluru
Date: 28 April 2026

Ramchandra Hanumasagar
Company Secretary
M.No : A57286
Place: Bengaluru
Date: 28 April 2026

Titan Engineering & Automation Ltd. TEAL HOSUR

B S R & Co. LLP

Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flows from operating activities			
Profit before tax		25,851	11,330
Adjustments for:			
Depreciation and amortisation expense		5,976	3,790
Loss on sale / disposal / scrapping of property, plant and equipment (net)		16	5
Finance costs		1,683	1,853
Provision for doubtful trade receivables		695	509
Gain on investments carried at fair value through profit and loss		(17)	(109)
Interest income		(31)	(7)
Net exchange differences (unrealised)		640	218
Government grants		(59)	(58)
Employee stock compensation expense		450	289
Gain arising on fair valuation of employee loans, leases and investments		(51)	(43)
		35,153	17,777
Change in operating assets and liabilities			
(Increase) in trade receivables		(3,826)	(2,813)
(Increase) in inventories		(874)	(4,122)
Decrease / (increase) in other financial assets and loans		626	(900)
Decrease in other assets		413	12,611
Increase in trade payables		3,239	1,172
Increase in provisions		2,661	811
Increase in other financial liabilities		1,692	645
Decrease in other non current liabilities		(52)	(14)
Increase / (decrease) in other current liabilities		1,701	(4,544)
Cash used in operations		**5,580**	**2,846**
Income taxes paid, net		(6,855)	(2,717)
Net cash generated from operating activities	**A**	**33,878**	**17,906**
Cash flows from investing activities			
Purchase of property, plant and equipment including intangibles and capital work in progress		(12,160)	(6,686)
Acquisitions of business/ undertaking (refer note 39)		(6,171)	-
Interest received		31	7
Proceeds from sale of property, plant and equipment		23	166
Fixed deposits placed		(17,019)	-
Fixed deposits matured		5,018	-
Purchase of investments		(16,169)	(65,862)
Sales of investments		10,879	69,006
Net cash used in investing activities	**B**	**(35,568)**	**(3,369)**
Cash flows from financing activities			
Proceeds from long term borrowings		-	150
Repayment of long term borrowings		(1,011)	(20)
Proceeds /(Repayment) from short-term borrowings, net		10,456	(11,846)
Payment of lease liabilities			
- Principal portion		(1,212)	(427)
- Interest portion		(337)	(202)
Finance cost paid			
- Finance cost on long term and short term borrowings		(1,080)	(1,304)
- Finance cost on bill discounting		(266)	(347)
Net cash generated from / (used in) financing activities	**C**	**6,550**	**(13,996)**
Net increase in cash and cash equivalents	**(A+B+C)**	**4,860**	**541**
Cash and cash equivalents at the beginning of the year (refer note 10.3)		992	451
Cash and cash equivalents at the end of the year (refer note 10.3)		**5,852**	**992**

Titan Engineering & Automation Ltd.
TEAL
HOSUR

BSR & Co. LLP

Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Debt reconciliation statement in accordance with Ind AS 7			
Borrowings			
Opening balance		6,600	18,316
(Repayment) / Proceeds of short term borrowings (net)		10,456	(11,846)
Proceeds from long term borrowings		-	150
Repayment of long term borrowings		(1,011)	(20)
Closing balance		**16,045**	**6,600**
Reconciliation of Lease liability			
Opening balance		1,990	1,853
Payments made during the year		(1,549)	(629)
Non-cash changes/additions		3,954	766
Closing balance		**4,395**	**1,990**
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

Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 07 May 2026

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

N P Sridhar	**Ashok Sonthalia**	**Balamurugan B**	**Ramchandra Hanumasagar**
Managing Director	*Director*	*Chief Financial Officer*	*Company Secretary*
DIN: 03375241	DIN: 03259683	M.No : 216020	M.No : A57286
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026

Titan Engineering & Automation Limited

Material accounting policies and notes to the financial statements for the year ended 31 March 2026

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 INR 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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

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 2026 is included in the following notes:
Note 3 – Useful life of the Property, Plant and equipment;
Note 5 & 6– Useful life of the Goodwill and Intangible assets;
Note 17 – Valuation of deferred tax liabilities;
Note 31- Leases
Note 32 – Provisions and contingent liabilities;
Note 33 – Measurement of defined benefit obligations: key actuarial assumptions;
Notes 36 – Fair value measurement of financial instruments.
Note 39– Business combination
Note 21- Revenue from operation

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 36 – financial instruments.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

viii. Business combination

The Company accounts for its business combinations under acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Company's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The recoverable amount of a CGU is determined as the higher of its value in use and its fair value less costs of disposal. An impairment loss is recognized if the carrying amount of the CGU, including allocated goodwill, exceeds its recoverable amount.

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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

- 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.

ix. Revenue and other income recognition (continued)

- 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 21 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.

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.

a)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
Right-of-use assets are depreciated over the lease term on a straight-line basis. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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.

BSR & Co LLP

Titan Engineering & Automation Ltd.
TEAL HOSUR

2. Material Accounting Policies (continued)

x. Leases (continued)

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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

2. Material Accounting Policies (continued)

xii. Employee benefits (continued)

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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

2. Material Accounting Policies (continued)

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.

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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd
TEAL
HOSUR

2. Material Accounting Policies (continued)

xiv. Property, Plant and Equipment (continued)

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.

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 amortization period are reviewed at the end of the each financial year and the amortization period is revised to reflect the changed pattern, if any.

Technical know-how acquired as part of a business combination is recognised as an intangible asset at its fair value at the acquisition date.
Technical know-how is amortised on a straight-line basis over its estimated useful life of 4 years, which represents the period over which the economic benefits are expected to be derived. The useful life and amortisation method are reviewed at each reporting date.

Intangible assets under development

Intangible assets under development represent expenditure incurred on development of identifiable intangible assets that are not yet available for use.
Such assets are carried at cost and are not amortised. Upon completion, these assets are reclassified to the appropriate category of intangible assets and amortisation commences when the asset is available for use.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

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

xvi. Impairment (continued)

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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

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 recognized for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognized 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.

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.

Titan Engineering & Automation Ltd.
TEAL
HOSUR

2. Material Accounting Policies (continued)

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.

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.

SSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

xix. Financial instruments (continued)

(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.

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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

2. Material Accounting Policies (continued)

xix. Financial instruments (continued)

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 terns is recognized in the statement of profit and loss.

xx. Derivative financial instruments

a) Derivative instruments not designated as Cash flow hedges/Fair value hedges:

The Company enters a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, future contracts and Options. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Cash flow hedges

The Group designates certain foreign exchange forward as cash flow hedges with an intention to hedge its highly probable transaction in foreign currency. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

xxi. 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.

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

2. Material Accounting Policies (continued)

xxii. 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.

xxiii. 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.

xxiv. 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.

xxv. 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.

xxvi. 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. Accordingly, the Company has not prepared consolidated financial statements in accordance with the exemption available under applicable provisions of the Companies Act, 2013 read with Ind AS 110 – Consolidated Financial Statements. These financial statements present information about the company as an individual undertaking and not about its group.

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

2. Material Accounting Policies (continued)

xxvii. 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.

xxviii. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform - Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

B S R & Co. LLP

Titan Engineering & Automation Ltd
TEAL
HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

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
	Gross carrying value								
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**
As at 1 April 2025	3,581	7,547	25,338	1,702	2,534	720	788	438	42,648
Acquisitions of business/ undertaking	-	92	310	57	20	-	179	-	658
Additions	3	215	7,785	765	1,003	24	96	405	10,296
Disposals		-	7	47	48	-	19	22	143
Transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**3,584**	**7,854**	**33,426**	**2,477**	**3,509**	**744**	**1,044**	**821**	**53,459**
	Accumulated depreciation								
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**
As at 1 April 2025	0	1,894	9,472	982	1,253	157	411	229	14,398
Depreciation expense	-	311	2,309	513	491	202	162	140	4,128
Disposals	-	-	4	45	23	-	12	20	104
Transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**0**	**2,205**	**11,777**	**1,450**	**1,721**	**359**	**561**	**349**	**18,422**
	Net carrying value								
As at 31 March 2025	**3,581**	**5,653**	**15,866**	**720**	**1,281**	**563**	**377**	**209**	**28,250**
As at 31 March 2026	**3,584**	**5,649**	**21,649**	**1,027**	**1,788**	**385**	**483**	**472**	**35,037**

***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	7,854	Titan Company Limited	Promoter	01-Apr-16	Refer note below

Note:
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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

3.2 Capital work-in-progress

Particulars	Total
As at 1 April 2024	422
Additions	6,273
Capitalisations	(6,379)
As at 31 March 2025	**316**
As at 1 April 2025	316
Additions	13,915
Capitalisations	(10,296)
As at 31 March 2026	**3,935**

Capital work-in-progress	As at 31 March 2026				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,926	-	-	9	3,935
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Note: Company does not have any projects that are delayed or where its cost has exceeded its original budget value for year ended 31 March 2026 and 31 March 2025.

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

4 **Right-of-use assets***

Particulars	Buildings/ Plant Machinery Equipments	Total
As at 1 April 2024	2,246	2,246
Additions	595	595
Modifications / terminations	-	-
As at 31 March 2025	**2,841**	**2,841**
As at 1 April 2025	2,841	2,841
Additions	3,616	3,616
As at 31 March 2026	**6,457**	**6,457**
Accumulated amortisation		
As at 1 April 2024	407	407
Amortisation expense	566	566
As at 31 March 2025	**973**	**973**
As at 1 April 2025	973	973
Amortisation expense	1,085	1,085
As at 31 March 2026	**2,058**	**2,058**
Net carrying value		
As at 31 March 2025	**1,868**	**1,868**
As at 31 March 2026	**4,399**	**4,399**

*Also, refer note 31.

5 **Goodwill**

Particulars	**For the year ended 31 March 2026**
Opening Goodwill as at 1 April 2025	-
Additions on account of acqusition of business(Refer note 39)	391
Closing Goodwill as at 31 March 2026	**391**

Impairment of Goodwill

The Goodwill of ₹391 lakhs relates to business acquisition of Justech Precision Industry India Private Limited ("Justech India") which has been allocated to "Chennai NOVA Plant" cash generating unit (CGU).

Goodwill is tested for impairment on an annual basis by the Company. The recoverable value of the CGU is determined based on value-in-use calculation using the cash flow projections based on the financial budgets provided by the management covering a three year period.

The following table sets out the key assumptions for calculation of value-in-use for these CGUs:

Particulars	**31-Mar-26**
Discount rate	16%
Long term growth rate	1%
Sales growth	10%
Carrying value of goodwill (₹ lakhs)	391

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the Chennai NOVA plant CGU based on the assessment performed by the management.
Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the Chennai NOVA Plant CGU lower than the carrying amount of CGU.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

6 Intangible assets

Particulars	Intangible assets	Total
	Gross carrying value	
As at 1 April 2024	718	718
Additions	160	160
As at 31 March 2025	**878**	**878**
As at 1 April 2025	878	878
Additions on account of acqusition of business(Refer note 39)	2,600	2,600
Additions other than above	27	27
As at 31 March 2026	**3,505**	**3,505**
	Accumulated amortisation	
As at 1 April 2024	566	566
Amortisation expense	124	124
As at 31 March 2025	**690**	**690**
As at 1 April 2025	690	690
Amortisation expense	763	763
As at 31 March 2026	**1,453**	**1,453**
	Net carrying value	
As at 31 March 2025	**188**	**188**
As at 31 March 2026	**2,052**	**2,052**

6.1 Intangible assets under development

Particulars	Total
As at 1 April 2024	-
Additions	-
Capitalisations	-
As at 31 March 2025	-
As at 1 April 2025	-
Additions	2,878
Capitalisations	2,600
As at 31 March 2026	278

a) Intangible assets under development aging schedule

Particulars	As at 31 March 2026			
	Less than 1 Year	1 to 2 Years	2 to 3 Years	Total
a) Projects in progress	278	-	-	278
b) Projects temporarily suspended	-	-	-	-
	278	-	-	278

Particulars	As at 31 March 2025			
	Less than 1 Year	1 to 2 Years	2 to 3 Years	Total
a) Projects in progress	-	-	-	-
b) Projects temporarily suspended	-	-	-	-
	-	-	-	-

Note: Company does not have any projects that are delayed or where its cost has exceeded its original budget value for year ended 31 March 2026 and 31 March 2025.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

7 Financial assets

7.1 Investments

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
1) Investment in equity instruments (unquoted)		
(i) In subsidiary companies (at cost unless stated otherwise)*	-	
(ii) Others		
2,211 (Previous year: Nil) fully paid equity shares of ₹ 10 each in M/s Premchander Winds Farms Pvt Ltd**	0	-
4,114 (Previous year: Nil) fully paid equity shares of ₹ 10 each in M/s Kanagathara Winds Farms Pvt Ltd**	0	-
	1	-

* 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.

**Items not presented due to rounding off to nearest Rs in Lakhs

7.2 Loans

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Loans to employees	231	238
	231	**238**

7.3 Other financial assets

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Security deposits	777	416
Other assets (includes electricity, telephone deposits)	283	163
	1,060	**579**

8 Other non-current assets

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Capital advances	794	219
Balance with government authorities	170	31
Deferred employee cost	21	20
	985	**270**

9 Inventories

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Raw materials [refer (a) below]	15,977	15,047
Work-in-progress	9,382	7,420
Finished goods	2,457	2,294
Stores and spares	1,461	1,375
	29,277	**26,136**
a) Included above, goods in transit		
Raw materials	1,272	2,352

(i) The cost of inventories recognised as an expense during the period is INR 65,685 lakhs (Previous year : INR 40,255 lakhs).
(ii) The cost of inventories recognised as an expense includes reversal of INR 4,552 lakhs (Previous year: INR 941 lakhs) in respect of write down of inventory to net-realisable value.
(iii) Refer point (xvii) under material accounting policies for mode of valuation.

(All amounts in INR lakhs, unless otherwise stated)

10 Financial assets

10.1 Investments

Particulars	As at 31 March 2026		As at 31 March 2025	
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Name of the fund	**No of units**	**Amount**	**No of units**	**Amount**
Axis Overnight Fund - Direct Plan - Growth Option	21,086	300	-	-
SBI Overnight Fund - Direct Plan - Growth	22,870	1,000	-	-
Axis Money Market Fund - Direct Plan - Growth Option	33,069	500	-	-
HDFC Liquid Fund -Direct Plan - Growth Option	9,258	500	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	1,22,849	500	-	-
DSP Liquidity Fund - Direct Plan - Growth	12,711	500	-	-
Axis Liquid Fund - Direct Plan - Growth Option	16,344	500	-	-
Tata Liquid Fund- Direct Plan-Growth	11,515	500	-	-
Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan	1,27,514	500	-	-
SBI Savings Fund - Direct Plan - Growth	10,75,254	507	-	-
		5,307		-
Aggregate value of unquoted investments		5,307		-

10.2 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Considered good - unsecured*	24,496	20,167
Less: Loss allowance	(1,421)	(725)
	23,075	**19,442**
Credit impaired	-	1
Less: Loss allowance	-	(1)
	-	-
	23,075	**19,442**

*Includes dues from related parties - refer note 35

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	4%	0%
Less than 1 year	3%	3%
1 to 2 years	11%	52%
2 to 3 years	33%	66%
3 to 4 years	100%	100%

TEAL HOSUR
Titan Engineering & Automation Ltd.

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

10.2 Trade receivables (Continued)

a) Trade Recievables Ageing Schedule

Particulars	As at 31 March 2026							
	Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	319	16,747	1,178	4,053	867	486	846	24,496
(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	-	-	-	-	-	-	-	-
	319	**16,747**	**1,178**	**4,053**	**867**	**486**	**846**	**24,496**
Less: Loss allowance								(1,421)
Trade Receivables - Net								**23,075**

Particulars	As at 31 March 2025							
	Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(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 impaired	-	-	-	-	-	-	-	-
	1,735	**8,590**	**7,576**	**1,010**	**1,031**	**165**	**61**	**20,168**
Less: Loss allowance								(726)
Trade Receivables - Net								**19,442**

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

(All amounts in INR lakhs, unless otherwise stated)

10.2 Trade receivables (continued)

Movement in the expected credit loss allowance

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Balance at the beginning of the year	725	402
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	696	323
Balance at the end of the year	**1,421**	**725**

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

10.3 Cash and bank balances

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
(i) Cash and cash equivalents		
Balances with banks		
- Current accounts	852	992
- Fixed deposits	5,000	-
Total cash and cash equivalents	**5,852**	**992**
(ii) Bank balances other than (i) above		
- Fixed deposits with maturity period of 3- 12 months	12,000	-
- Fixed deposits held as margin money against bank guarantee	13	12
Bank balances other than (i) above	**12,013**	**12**
	17,865	**1,004**

10.4 Loans

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Employee loans	283	254
	283	**254**

10.5 Other financial assets

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Derivative instruments other than in designated hedge accounting relationships	-	44
Other receivables	-	176
Other financial assets {refer note (a) below}	55	877
	55	**1,097**

Notes:
(a) The governement grant have been accounted for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contigencies attached to the grant.

11 Other current assets

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Unsecured, considered good		
Advances to suppliers	722	750
Prepaid expenses	588	438
Balance with government authorities	-	1,465
Contract asset {refer note (i) below}	8,798	7,768
Others assets (includes travel advances, employee dues)	326	308
	10,434	**10,729**

(i) 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 21

B S R & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

(All amounts in INR lakhs, unless otherwise stated)

12 Equity Share capital

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised share capital		
6,00,00,000 (Previous year : 6,00,00,000) equity shares of par value of INR 10 each	6,000	6,000
Issued, subscribed and fully paid-up shares		
4,70,50,000 (Previous year : 4,70,50,000) equity shares of par value of INR 10 each	4,705	4,705
	4,705	**4,705**

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

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

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

	31 March 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	4,70,50,000	4,705	4,70,50,000	4,705
At the end of the year	**4,70,50,000**	**4,705**	**4,70,50,000**	**4,705**

c) Shareholders holding more than 5% in the Company

Name of shareholder	31 March 2026		31 March 2025	
	Number	%	Number	%
Titan Company Limited - the holding company	**4,70,50,000**	100	**4,70,50,000**	100

d) Shares held by promoters

Promoter	31 March 2026		31 March 2025		
	No. of shares held	% of total Shares	No. of shares held	% of total Shares	% of change
Titan Company Limited	4,70,50,000	100	4,70,50,000	100	-
	4,70,50,000	**100**	**4,70,50,000**	**100**	-

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

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

13 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Retained earnings{refer note (a)}	47,415	28,181
Securities premium{refer note (b)}	18,754	18,754
Remeasurement of employee defined benefit plans{refer note (c)}	(622)	(394)
Cash flow hedge reserve {refer note (d)}	(258)	-
	65,289	**46,541**

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) **Remeasurement of employee defined benefit plans** : Represents actuarial gain or loss on remeasurement of defined benefit obligation.

d) **Cash flow hedge reserve** : The Company uses foreign currency forward contracts to hedge the highly probable forecasted transaction. The effective portion of fair value gain/loss of the hedge instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the Statement of Profit and Loss when the hedged item impact profit or loss.

13.1 Distributions made and proposed
No dividend is proposed for the year ended 31 March 2026 and 31 March 2025

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

14 Financial liabilities

14.1 Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
Term loan*	-	3,324
	-	3,324

*The Company has term loans aggregating to ₹ 2,446 lakhs with remaining tenures ranging from 3 months to 9 months, which is repayable within the next financial year and the current portion is classified under Note 18.1
The interest rates on these loans range from 6.98% to 7.06% per annum. These loans are secured by a charge on the Company's Property, Plant and Equipment.

14.2 Lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Lease liabilities {refer note 31}	2,995	1,462
	2,995	1,462

14.3 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Payables on purchase of property, plant and equipment	753	-
Other financial liabilities {refer note (a)}	7	550
	760	550

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

15 Other non current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred income in respect of government grants{refer note 37.2}	647	699
	647	699

16 Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for compensated absences	1,478	1,894
Provision for pension	88	99
Provision for other employee benefits	668	383
Provision for warranty {refer note 20 (a)}	231	219
	2,465	2,595

17 Income taxes

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

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax assets	1,001	911
Deferred tax liabilities	(884)	(1,119)
	117	(208)

Particulars	As at 1 April 2025	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2026
Deferred tax liabilities				
Property, plant and equipment	(1,125)	(29)	-	(1,154)
Government grants	17	12	-	29
Derivative instruments in hedge relationship	(11)	252	-	241
	(1,119)	235	-	(884)
Deferred tax assets				
Cash Flow Hedge Reserve	-	-	87	87
Intangible asset	7	4	-	11
Provisions for compensated absences, doubtful debts and others	789	(1)	-	788
Compensation towards voluntary retirement	63	(10)	-	53
Lease liabilities (net of Right-of-use assets)	52	10	-	62
	911	3	87	1,001
Net deferred tax asset/ (liability)	(208)	238	87	117

BSR & Co. LLP

Engineering & Aut...

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

17 Income taxes (Continued)

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)
	(1,122)	3	-	**(1,119)**
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
	774	137	-	911
Net deferred tax asset /(liability)	**(348)**	**140**	-	**(208)**

17.2 Amounts recognised in statement of profit and loss

Particulars	As at 31 March 2026	As at 31 March 2025
Current tax	6,932	3,019
Deferred tax	(151)	(140)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(77)	(18)
-Effective portion of gains/(losses) on cash flow hedges	(87)	-
Tax expense for the year	**6,617**	**2,862**

17.3 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 2026	As at 31 March 2025
Profit before tax	25,851	11,330
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**6,506**	**2,852**
Effect of:		
Expenses that are not deductible in determining taxable profit	26	21
Others	85	(11)
Income tax expense recognised in the statement of profit and loss	**6,617**	**2,862**

17.4 The following table provides the details of income tax assets and income tax liabilities as of 31 March 2026 and 31 March 2025

Particulars	As at 31 March 2026	As at 31 March 2025
Income tax assets (net)	188	203
Current tax liabilities (net)	(707)	(798)
Net current income tax asset/ (liability) at the end of the year	**(519)**	**(595)**

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Net current income tax asset/ (liability) at the beginning of the year	(595)	(328)
Income tax paid (net)	6,855	2,717
Current income tax expense	(6,855)	(3,002)
Income tax on other comprehensive income and others	77	18
Net current income tax asset/ (liability) at the end of the year	**(519)**	**(595)**

18 Financial liabilities
18.1 Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
Term loan {refer note 14.1}	2,446	133
Unsecured		
Intercorporate loan{refer note (i)}	5,000	-
Loan from bank {refer note (ii)}	7,500	1,886
Bill discounting {refer note (iii)}	1,099	1,257
	16,045	**3,276**

(i)During the year ended 31 March 2026, the company has taken Intercorporate loan repayable on demand from related party with interest rate 7.19 % p.a.

(ii) The interest rate on the loan from bank is 6.65% p.a (previous year 7.75% - 8.90% p.a). The loan was obtained for working capital requirements, is unsecured, and carries interest payable on a monthly basis.

(iii) During the year ended 31 March 2026, the Company has entered into an arrangement with Receivable Exchange of India limited ('RXIL') with a credit period of 70 to 89 days and interest rate ranging from 6.02 % to 7.5% (previous year 7.00% - 7.90% p.a towards reverse factoring of MSME payments. These loans are unsecured.

18.2 Lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
	1,400	528
Lease liabilities {refer note 31}	**1,400**	**528**

18.3 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
Total outstanding dues of micro and small enterprises {Refer note (b) below}	6,081	1,707
Total outstanding dues of other than micro and small enterprises *	6,705	7,653
	12,786	**9,360**

* Includes dues to related parties, refer note 35

(a) Trade Payables Ageing Schedule

Particulars	As at 31 March 2026					Total
	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	6,081	-	-	-	-	6,081
Others	4,256	2,283	42	107	17	6,705
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	**10,337**	**2,283**	**42**	**107**	**17**	**12,786**

*Includes unbilled dues amounting to ₹ 3,573 lakhs

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**

*Includes unbilled dues amounting to ₹ 4,285 lakhs

(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 2026. 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 2026	As at 31 March 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	6,081	1,707
- 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*	215	646
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.	5	0
The amount of interest accrued and remaining unpaid at the end of each accounting year	5	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.

ESR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

18.4 Other financial liabilities

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Payables on purchase of property, plant and equipment	2,051	180
MTM loss on forward contracts	1,258	-
Other financial liabilities		
- Employee related	4,063	2,424
- Others (includes liability towards shortfall in PF trust, retentions, LIC and salary deductions payable, interest accured on intercorporate loan)	269	172
- Payable to parent company {refer note (a)}	993	-
	8,634	**2,776**

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

19 Other current liabilities

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Advance from customers	10,638	9,166
Statutory dues (TDS, PF etc.)	791	329
Contract liability {refer note (i) below}	2,310	2,762
Deferred income in respect of government grants {refer note 37.2}	85	83
Others	183	25
	14,007	**12,365**

(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 21

20 Provisions

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Provision for compensated absences	246	248
Provision for other employee benefits	109	53
Provision for gratuity {refer note 33}	1,854	569
Provision for warranty {refer note (a) below}	2,322	517
	4,531	**1,387**

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

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Balance at the beginning of the year	736	524
Provisions made during the year	2,477	527
Utilisations/ reversed during the year	(660)	(315)
Balance at the end of the year	**2,553**	**736**

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

(All amounts in INR lakhs, unless otherwise stated)

21 Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products		
Automation solutions	1,02,244	50,376
Aerospace and defence	38,127	32,050
Total - Sale of products (a)	**1,40,371**	**82,426**
Income from services provided (b)	**8,397**	**3,217**
Other operating revenues		
Other receipts (Duty Drawback benefits)	307	421
Sale of scrap	578	512
Total - Other operating revenue (c)	**885**	**933**
Revenue from operations (a+b+c)	**1,49,653**	**86,576**

a) As per the requirement of Ind AS 115, the Company disaggregates revenue based on line of business (as given in note 28).

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
Contracted price	1,49,653	86,576
Reductions towards variable consideration components	-	-
Revenue recognised	**1,49,653**	**86,576**

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 2026	For the year ended 31 March 2025
India	1,07,185	36,150
Rest of the world	42,468	50,426
Total revenue from operations	**1,49,653**	**86,576**

ii) Contract balances

	For the year ended 31 March 2026	For the year ended 31 March 2025
Trade receivables (gross) (including unbilled receivables)	24,496	20,168
Contract liabilities (including advances from customers)	12,948	11,928
Contract assets	8,798	7,768

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 2026	For the year ended 31 March 2025
Within one year	8,798	7,768
More than one year	-	-
	8,798	**7,768**

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

iii) Disaggreation by timing of revenue recognition

	For the year ended 31 March 2026	For the year ended 31 March 2025
Goods or services transferred at point in time	1,11,437	51,972
Goods or service transferred over time	38,216	34,604
	1,49,653	**86,576**

BSR & Co. LLP

Titan Engineering & Automation Ltd. SEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

22 Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income from employee loans	56	48
Gain on investments carried at fair value through profit and loss	10	115
Government grant {refer note 37.2}	59	58
Miscellaneous income {refer note (a) below}	93	210
	218	**431**

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

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Closing stock		
Finished goods	2,457	2,294
Work-in progress	9,382	7,420
	11,839	**9,714**
Opening stock		
Finished goods	2,294	2,341
Work-in progress	7,420	7,357
	9,714	**9,698**
(Increase) / decrease in inventory	**(2,125)**	**(16)**

24 Employee benefits expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus	21,804	14,243
Company's contribution to provident and other funds		
- Gratuity {refer note 33(c)}	443	498
- provident and other funds {refer note 33(a and b)}	1,065	697
Employee stock compensation expense {refer note 34}	450	289
Staff welfare expenses	2,964	2,142
	26,726	**17,869**

25 Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on borrowings*	1,080	1,304
Interest on lease liability	337	202
Interest others	266	347
	1,683	**1,853**

*The interest rate on the short term loan is 6.02% - 9.30% p.a.(previous year 5.35%- 9.30% p.a) The interest is payable at monthly intervals.

26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 3.1)	4,128	3,100
Amortisation of intangible assets and depreciation of ROU (refer note 4 & 6)	1,848	690
	5,976	**3,790**

BSR & Co. LLP

Titan Engineering & Automation Ltd.
TEAL
HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

27 Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Agency labour	5,610	2,381
Power and fuel	1,354	1,115
Repairs and maintenance		
-Buildings	98	112
-Plant and machinery	565	493
Rent and Maintenance{refer note 31}	267	2
Legal and Professional charges {refer note (a) below}	2,596	1,216
Software expenses	860	347
Advertising and sales promotion	73	82
Warranty expenses	1,819	-
Royalty {refer note 35}	222	156
Selling and distribution expenses	612	909
Insurance	190	137
Rates and taxes	569	321
Recruitment charges	372	142
Telephone and internet charges	149	73
Training expenses	77	153
Travel and conveyance	3,682	2,633
Bad debts written off	-	185
Less: Provision released	-	(185)
	-	-
Provision for doubtful trade receivables	695	509
Loss on sale / disposal / scrapping of property, plant and equipment (net)	16	5
Expenditure on corporate social responsibility {refer note (b) below}	183	102
Exchange loss (net)	2,061	576
Miscellaneous expenses	576	354
Commission to non-whole-time Directors	166	92
	22,812	**11,910**

(a) Auditors Remunerration

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
For Statutory accounts	28	28
For services including tax audit and out of pocket expenses	8	8
	36	**36**

(b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: INR 183 lakhs (Previous year: INR 102 lakhs).
(ii) Amount spent during the year on:

	For the year ended 31 March 2026	For the year ended 31 March 2025
1. Amount required to be spent by the company during the year (refer note below a)	183	102
2. Amount approved by the Board to be spent during the year	170	102
3. Amount of expenditure incurred on:		
- Construction/acquisition of any asset	121	65
- On purposes other than above	33	12
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.	

(iii) CSR Contribution to Related parties :

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Related Parties	-	-
Unrelated parties	154	77
	154	**77**

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 two financial years(FY 2024-25 and FY 2023-24).

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

28 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 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
Automation solutions	1,10,380	53,087	23,171	7,816
Aerospace and defence	39,491	33,920	4,362	5,366
	1,49,871	**87,007**	**27,533**	**13,182**
Finance costs			1,683	1,853
Profit before taxes			**25,850**	**11,329**

c) Segment assets and liabilities

	For the year ended 31 March 2026	For the year ended 31 March 2025
Segment assets		
Automation solutions	52,562	45,357
Aerospace and defence	58,783	42,842
Corporate (unallocated)	23,626	2,375
	1,34,971	**90,574**

	For the year ended 31 March 2026	For the year ended 31 March 2025
Segment liabilities		
Automation solutions	32,633	25,091
Aerospace and defence	13,970	9,200
Corporate (unallocated)	18,374	5,037
	64,977	**39,328**

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue		
India	1,07,403	36,581
Outside India	42,468	50,426

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.

28.1 Information about major customers

Included in revenues arising from sales of INR 1,48,767 lakhs (Previous year: INR 85,643 lakhs) are revenues of approximately INR 62,634 lakhs (Previous year: INR 18,776 lakhs) which arose from sales to the Company's largest customers. No other single customer contributed 10% or more to the Company's revenue for the reported years.

29 Earnings per share

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit for the year (INR in lakhs)	19,234	8,468
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)	40.88	18.00

30 Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 5,985 lakhs (Previous year: INR 1,630 lakhs).

B S R & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

31 Leases

31.1 Amounts recognised in balance sheet

	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
(i) Right-of-use assets			
Building/ Plant and machinery	4	4,399	1,868
		4,399	**1,868**
(ii) Lease liabilities			
Non-current	14.2	2,995	1,462
Current	18.2	1,400	528
		4,395	**1,990**

31.2 Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
(i) Depreciation and amortisation expense	4		
Building		1,085	566
		1,085	**566**
(ii) Interest expense (included in finance cost)	25	337	202
(iii) Expense relating to short-term leases {refer note (a) below}	27	267	2
(iv) Expense relating to leases of low-value assets	27	-	-
(v) Expense relating to variable lease payments	27	-	-

(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 2026 amounts to INR 1,549 lakhs (Previous year: INR 629 lakhs).

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

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
Rent is lower by	1,285	629
Depreciation and amortisation is higher by	(1,085)	(566)
Finance cost is higher by	(337)	(202)
	(137)	**(139)**

The Company has discounted lease payments using applicable incremental borrowing rate ranging from 7.60% to 8.30% for new leases (Previous year: 10%) for measuring the lease liability.

ESR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

32 Contingent liabilities

	For the year ended 31 March 2026	For the year ended 31 March 2025
Contingent liability:		
Indirect tax matters (refer note below)	164	227

Note:
The company has received a demand notice amounting to Rs 164 lakhs in previous year from the Additional Commissioner of Goods and Service Tax with respect to availment of irregular credit during the FY 2020-21 and FY 2021-2022 . The company has filed an appeal with commissioner and deposited Rs.170 lakhs with the GST authorities.

33 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 2026**	**For the year ended 31 March 2025**
Superannuation fund	150	105
National pension scheme	79	48
Employee pension fund	312	209
	541	**362**

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 2026**	**For the year ended 31 March 2025**
Provident fund*	525	335
	525	**335**

* 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.

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 2026**	**For the year ended 31 March 2025**
Discount rate (p.a.)	7.25%	6.75%
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 2026**	**For the year ended 31 March 2025**
21-30	15%	15%
31-45	5%	5%
46 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 2026**	**For the year ended 31 March 2025**
Current service cost	443	285
Past service cost	1,058	205
Interest on net defined benefit liability / (asset)	49	8
Total component of defined benefit costs charge to the statement of profit and loss	**1,550**	**498**

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

33 Employee benefits (continued)

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

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Opening amount recognised in other comprehensive income outside profit and loss account	**383**	**313**
Remeasurements during the period due to:		
- Changes in financial assumptions	(299)	169
- Changes in demographic assumptions	-	(24)
- Experience adjustments	688	179
- Actual return on plan assets less interest on plan assets	(84)	(254)
- Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive Income/loss	**688**	**383**

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 2026**	**For the year ended 31 March 2025**
Opening net defined benefit liability/ (asset)	569	213
Expense charged to profit and loss account	1,500	498
Amount recognised outside statement of profit and loss	305	70
Employer contributions	(569)	(212)
Impact of liability settled	-	-
Acquisitions of business/ undertaking	49	-
Closing net defined benefit liability/ (asset)	**1,854**	**569**

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

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Opening defined benefit obligation	3,984	3,007
Current service cost	443	285
Past service cost	1,058	205
Interest cost	311	211
Remeasurement due to		
- Actuarial gains and losses arising from changes in financial assumptions	(299)	169
- Actuarial gains and losses arising from changes in demographic assumptions	-	(24)
- Actuarial gains and losses arising from experience adjustments	688	179
Benefits paid	(180)	(48)
Impact of liability settled		-
Closing defined benefit obligation	**6,005**	**3,984**

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

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Opening fair value of plan assets	3,415	2,794
Employer contributions	569	213
Interest on plan assets	263	203
Remeasurements due to actuarial return on plan assets less interest on plan assets	84	253
Benefits paid	(180)	(48)
Closing fair value of plan assets	**4,151**	**3,415**

33 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 2026		
	Discount rate	**Salary escalation rate**	**Attrition rate**
Defined benefit obligation on plus 50 basis points	5,729	6,301	5,955
Defined benefit obligation on minus 50 basis points	6,304	5,730	6,058

	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

Maturity profile of defined benefit obligation

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
With in year 1	356	229
1 year to 2 years	603	214
2 years to 3 years	682	420
3 years to 4 years	657	500
4 years to 5 years	509	438
Over 5 years	11,670	7,252

The weighted average duration to the payment of these cash flows is 9.56 years
The Company is expected to contribute INR 1854 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 2026		For the year ended 31 March 2025	
	Quoted	Unquoted	Quoted	Quoted
Government debt instruments	1,391	-	1,637	-
Other debt instruments	851	-	666	-
Entity's own equity instruments	349	-	325	-
Others	1,345	214	518	268

34 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 31 March 2026 was 0.16 years.

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
No of options granted	-	600
Risk free interest rate	-	6.80
Expected life of options granted	-	3.0
Expected volatility (weighted average)	-	40.00
Dividend Yield (%)	-	0.33
Weighted average fair value of options per share (₹)	-	3,561
Exercise price (in ₹)	-	1

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

35 Related parties:

i) Relationship

a) Holding company	Titan Company Limited
b) Subsidiaries	TEAL USA Inc.
c) Fellow subsidiaries	Caratlane Trading Private Limited Titan Watch Company Hong Kong Limited Titan Holdings International FZCO Titan Global Retail L.L.C Titan International QFZ, Qatar Titan Commodity Trading Limited StudioC Inc (Wholly owned subsidiary of caratlane) TCL North America Inc. Signature Jewellery Holding Limited (Subsidiary of Titan Holdings International FZCO w.e.f 9 October 2025)
d) Other related parties	Green Infra Windpower Theni Limited
e) Promoter of holding company	Tata Sons Private Limited Tamilnadu Industrial Development Corporation Limited
f) Key Management Personnel (KMP)	Mr. N P Sridhar, Managing Director (w.e.f 1st August, 2024) Mr. Balamurugan B, CFO Ms. Sariga P Gokul, Company Secretary (Resigned w.e.f 9 th May, 2025) Mr. Ramchandra Hanumasagar, Company Secretary **Non - executive Directors** Mr. Ashok Kumar Sonthalia Ms. Suparna Mitra (Resigned w.e.f 13th August 2025) Mr. N Kailasanathan Mr. Sanjeev Sharma Mr. Subramanyam Gopal Mr. Venkataraman Krishnamurthy Coimbatore (Resigned w.e.f 1st January 2026) Mr. B Santhanam (w.e.f 2nd June, 2025) Ms. Shalini Kapoor (w.e.f 11th November 2025)
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. Tata Electronics Products and Solutions Private Limited Tata Semiconductor Assembly and Test Private Limited Tata Elxsi Limited Novamesh Limited Indian Hotels Company Limited TIDEL PARK LTD
h) Post employee benefit plan entities	Titan Watches Provident Fund Titan Watches Super Annuation Fund Titan Industries Gratuity Fund

BSR & Co. LLP

Titan Engineering & Automation Ltd
TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

ii) Related party transactions during the year :

	Relationship	For the year ended 31 March 2026	For the year ended 31 March 2025
Cost of materials consumed			
Titan Company Limited	Holding company	-	0
Tata Electronics Private Limited	Group entities	-	11
Harita NTI Limited	Group entities	15	3
Toyota Kirloskar Auto Parts Pvt Ltd	Group entities	27	-
Purchase of Asset			
Infiniti Retail Limited	Group entities	-	23
Tata Elxsi	Group entities	341	-
Intercorporate Loan			
Titan Company Limited	Holding company	5,000	-
Revenue from operations			
Tata Sons Private Limited	Promoter of Holding Co	1	
Titan Company Limited	Holding company	4	23
Tata Consultancy Services Limited	Group entities	-	219
Tata Electronics Private Limited	Group entities	4,744	1,768
Tata Electronics Systems Solutions Private Limited	Group entities	4,428	292
Toyota Kirloskar Auto Parts Private Limited	Group entities	545	39
TEL Components Private Limited	Group entities	1	0
Tata Electronics Products and Solutions Private Limited	Group entities	16,643	-
Titan Global Retail L.L.C	Fellow Subsidiaries	2	-
Tata Semiconductor Assembly and Test Private Limited	Group entities	53	-
Reimbursement towards rendering of services / expenses			
Titan Company Limited	Holding company	3	5
Balamurugan B	KMP	1	2
Sridhar N P	KMP	-	0
Employee stock compensation expense			
Titan Company Limited	Holding company	450	289
Miscellaneous expenses			
Tata Sons Private Limited	Promoter of holding company	130	156
Titan Company Limited	Holding company	583	329
Tata AIG General Insurance Company Limited	Group entities	50	64
Tata Power Renewable Energy Limited	Group entities	52	51
Tata AIA Life Insurance Company Limited	Group entities	12	10
Innovative Retail Concepts Pvt Ltd	Group entities	4	2
Roots Corporation Limited	Group entities	2	18
Tata Communications	Group entities	1	1
Tata Consultancy Services Limited	Group entities	25	19
Tata Teleservices Limited	Group entities	7	7
Tata Technologies Limited	Group entities	12	13
Novamesh Limited	Group entities	7	-
Indian Hotels Company Limited	Group entities	0	-
Tidel Park Ltd	Group entities	70	-
Income from services rendered			
Toyota Kirloskar Auto Parts Private Limited	Group entities	1	-
Tata SmartFoodz Limited	Group entities	-	21
Tata Advanced System Limited	Group entities	113	93
Tata Electronics Private Limited	Group entities	70	29

BSR & Co. LLP

Engineering & Automation Ltd

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Related party transactions during the year (Continued)

		For the year ended 31 March 2026	For the year ended 31 March 2025
Key managerial personnel compensation			
Managerial remuneration	KMP	346	246
Commission and sitting fees	KMP	296	210
Performance stock units (fair value of options)	KMP	124	80
Key managerial personnel compensation			
Gratuity	KMP	117	91
Compensated absenses	KMP	51	63
Long service award	KMP	1	0
Miscellaneous Income			
TitanX Engine Cooling Inc.	Group entities	-	10
Interest Income			
Titan Company Limited	Holding company	366	-
Contribution to Trust funds			
Titan Watches Provident Fund	Post employee benefit plan entities	1,705	1,215
Titan Watches Super Annuation Fund	Post employee benefit plan entities	148	100
Titan Industries Gratuity Fund	Post employee benefit plan entities	569	213

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

		For the year ended 31 March 2026	For the year ended 31 March 2025
Outstanding - net payables			
Titan Company Limited	Holding company	23	138
Tata Sons Private Limited	Promoter of holding company	-	156
Tata Consultancy Services Limited	Group entities	216	221
Tata Electronics Private Limited	Group entities	-	11
Tata Power Renewable Energy Limited	Group entities	5	5
Harita NTI Limited	Group entities	2	-
Others	Group entities	-	2
Outstanding - net receivable			
Toyota Kirloskar Auto Parts Private Limited	Group entities	44.11	94
Tata Electronics Private Limited	Group entities	170	841
Tata SmartFoodz Limited	Group entities	-	3
Tata Advanced System Limited	Group entities	-	53
Tata AIG General Insurance Company Limited	Group entities	20.68	110
Tata Electronics Systems Solutions Private Limited	Group entities	1,545	-
Tata Semiconductor Assembly and Test Private Limited	Group entities	19	-
Tata Electronics Products and Solutions Private Limited	Group entities	724	-
Titan Global Retail L.L.C	Group entities	2	-
Others	Group entities	-	1
Outstanding- Other financial liabilities			
Titan Company Limited	Holding company	1,000	550
Borrowings -Intercorporate loan			
Titan Company Limited	Holding company	5,000	-

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) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.
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
c) No transaction with struck off companies

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

36 Financial instruments

36.1 Categories of financial instruments

Financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	5,308	-
Total financial assets measured at FVTPL (a)	**5,308**	-
Measured at amortised cost		
- Trade receivables	23,075	19,442
- Cash and cash equivalents	5,852	992
- Bank balances other than cash and cash equivalents	12,013	12
- Security deposits	777	416
- Other assets	338	1,216
- Employee loans	514	492
Total financial assets measured at amortised cost (b)	**42,569**	**22,570**
Derivative instruments other than in designated hedge accounting relationships (c)	-	44
Total financial assets (a + b + c)	**47,877**	**22,614**

Financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at fair value through profit or loss (FVTPL)		
MTM loss on forward contracts	1,258	-
Total financial liabilities measured at FVTPL (a)	**1,258**	-
Measured at fair value through other comprehensive income (FVOCI)		
Derivative instruments in designated hedge accounting relationship	-	
Total financial liabilities measured at FVOCI (b)	-	-
Measured at amortised cost		
- Borrowings	16,045	6,600
- Trade payables	12,786	9,360
- Lease liability	4,395	1,990
- Other financial liabilities	8,136	3,326
Total financial liabilities measured at amortised cost (c)	**41,362**	**21,276**
Total financial liabilities (a + b + c)	**42,620**	**21,276**

(i) Fair value hierarchy

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

Particulars	As at 31 March 2026			
Financial assets and liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
- Other unquoted investments	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities				
MTM loss on forward contracts	-	1,258	-	1,258
Total financial liabilities	-	**1,258**	-	**1,258**

Particulars	As at 31 March 2025			
Financial assets and liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
- Quoted investments at FVTPL	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	44	-	44
Total financial assets	-	**44**	-	**44**
Financial liabilities				
- Derivative instruments other than in designated hedge accounting relationships	-	-	-	-
Total financial liabilities	-	-	-	-

(All amounts in INR lakhs, unless otherwise stated)

36 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.

36.2 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 10.2 for the disclosure for trade receivables.

36.3 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 2026			
Non-derivatives			
Borrowings*	16,045	-	16,045
Trade payables	12,786	-	12,786
Lease liability	1,400	2,995	4,395
Other financial liabilities	7,376	760	8,136
Total non-derivative liabilities	**37,607**	**3,755**	**41,362**
Derivative instruments other than in designated hedge accounting relationships	1,258	-	1,258
Derivative instruments in designated hedge accounting relationship	-	-	-
	38,865	**3,755**	**42,620**

Contractual maturities of financial liabilities	**less than 1 year**	**more than 1 year**	**Total**
As at 31 March 2025			
Non-derivatives			
Borrowings*	3,276	3,324.00	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**

*Borrowings disclosed in the above table is excluding interest.

36 Financial instruments (continued)

36.4 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 2026		As at 31 March 2025	
	Foreign Currency (in lakhs)	Amount in INR (in lakhs)	Foreign Currency (in lakhs)	Amount in INR (in lakhs)
Trade Receivables				
- EUR	17.71	1,930	36.28	3,341
- USD	87.22	8,271	56.59	4,837
- GBP	-	-	0.31	34
Bank balances				
- EUR	4.37	477	2.06	189
Trade Payables				
- EUR	28.82	3,142	1.96	180
- USD	21.93	2,080	14.45	1,235
- GBP	0.40	50	0.38	42
- JPY	0.08	0	-	-
- SGD	0.01	1	0.01	1
- CHF	0.03	3	-	-

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 27 lakh (Previous year: INR 25 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.

36.5 Impact of hedge activities

(i) The following provides the details of hedging instrument and its impact on balance sheet

<u>**Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)**</u>

	31 March 2026					
	Maturiy	Currency	Notional (Foreign | Amount Contracted Currency) [lakhs]	Amount in ₹	Line item in balance sheet	Fair value gain/(loss) *
- Foreign currency forward contracts	< 1 year	INR/USD		89	8,314	Other financial assets/ (liabilities)	(345)

* represents the impact of mark to market value at year end.

(ii) The effect of cash flow hedge in hedge reserve and statement of profit and loss:

Particulars	**Foreign currency forward contracts**	**Total**
Balance as on April 01, 2025	-	-
Hedge gain/(loss) recognised in OCI	(345)	(345)
Amount reclassified from OCI to statement of profit and loss	-	-
Income tax effect	87	87
Balance as on March 31, 2026	**(258)**	**(258)**

37.1 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.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

(All amounts in INR lakhs, unless otherwise stated)

37.2 Government grants

	As at 31 March 2026	As at 31 March 2025
As at 1 April	782	789
Recognised during the year	9	51
Released to the statement of profit and loss	(59)	(58)
As at 31 March	**732**	**782**
Current	85	83
Non-Current	647	699

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.

38 Financial Ratios

Particulars	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Variance %
a) Current Ratio	Total current assets	Total current liabilities	1.49	1.92	-23%
b) Debt-Equity Ratio {refer note (a)}	Debt consists borrowings and lease liabilities	Total equity	0.29	0.17	74%
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	2.96	1.06	180%
d) Return on Equity Ratio {refer note (c)}	Profit for the year (Net Profit after Tax)	Average total equity	32%	18%	76%
e) Inventory turnover ratio {refer note (d)}	Cost of goods sold	Average inventory	2.37	1.67	42%
f) Trade Receivables turnover ratio {refer note (e)}	Revenue from operations	Average trade receivables	7.04	4.71	49%
g) Trade payables turnover ratio {refer note (f)}	Net purchases	Average trade payables	5.48	4.26	29%
h) Net capital turnover ratio {refer note (g)}	Revenue from operations	Working capital (Current Assets - Current Liabilities)	5.31	3.07	73%
i) Net profit ratio {refer note (h)}	Profit for the year (after Tax)	Revenue from operations	12.9%	9.8%	31%
j) Return on Capital employed {refer note (i)}	Profit before tax and finance cost	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	29.8%	22.7%	31%
k) Return on investments {refer note (k)}	Income generated from invested funds	Average invested funds in mutual funds	0.4%	7.6%	-95%

Explanation for ratios where the variance is beyond 25% compared to previous year:
a) Increase in debt in the current year has resulted in increase in the ratio.
b) Increase in the debt service coverage ratio is due to increase in profits.
c) Increase in profits for the year has resulted in increase in the ratio.
d) Increase in cost of goods sold has resulted in increase in the ratio.
e) Increase in revenue for the year ended has resulted in increase in the ratio.
f) Increase in purchases has resulted in increase in the ratio.
g) Increase in revenue for the year ended has resulted in increase in the ratio.
h) Increase in revenue for the year ended has resulted in increase in the ratio.
i) Increase in profit for the year has improved return on capital employed ratio in the current year.
k) Lower returns from the average mutual funds invested has resulted in decrease in the ratio.

BSR & Co. LLP

Titan Engineering & Automation Ltd. TEAL HOSUR

39 During the period, the Company acquired 100% of the business of manufacturing specialized test and assembly automation equipment, from Justech Precision Industry India Private Limited ("Justech India") pursuant to a Business Transfer Agreement dated April 4, 2025, for a total cash consideration of ₹ 6,171 lakhs. Justech India, incorporated in 2019, is engaged in providing support services for assembly/manufacturing lines of electronic design and manufacturing industries. The objective of the acquisition is to streamline these support services and position itself as a comprehensive solution provider for the equipment used in assembling Customer's products.

The following table presents the purchase consideration, fair value of assets and liabilities acquired and goodwill recognised on the date of control.

Details of Fair value recognised on acquisition:

Particulars	**Amount (₹ lakhs)**
Intangible assets (Technology/ knowhow)	2,600
Inventories	2,267
Property, plant and equipment	667
Other current assets	261
Other financial assets	36
Trade receivables	4
Provisions	(49)
Trade payables	(6)
Total fair value of net assets aquired (A)	**5,780**
Fair value of purchase consideration (B)	**6,171**
Goodwill arising on acquisition (C) = (B-A)	**391**

The goodwill of ₹ 391 lakhs represents the assembled workforce, domain capabilities and expected synergies. Goodwill is allocated to Automation Solutions

Purchase consideration	**Amount (₹ lakhs)**
Cash consideration	6,171
Total purchase consideration	**6,171**

If the acquisition had occurred on April 01, 2025, there would not be material difference in revenue and profit contributed by the aquired business.

40 **Labour Code Impact :**
On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as "Exceptional Item" in the standalone statement of profit and loss for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

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

As per our report of even date attached

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

Amit Aggarwal
Partner

Membership No : 521774

Place: Bengaluru
Date: 07 May 2026

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

N P Sridhar	**Ashok Sonthalia**	**Balamurugan B**	**Ramchandra Hanumasagar**
Managing Director	*Director*	*Chief Financial Officer*	*Company Secretary*
DIN: 03375241	DIN: 03259683	M.No : 216020	M.No : A57286
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026	Date: 28 April 2026