Titan Engineering and Automation

Statutory Audit

For the year ended 31 March 2021

B S R & Co. LLP

This document contains 45 pages

April 2021

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B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' 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 2021, 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 a summary of the significant 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility 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 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.

- n 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 in the financial statements 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 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

   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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) 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 Auditors' 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:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Vikash Gupta
Partner
Membership No. 064597
UDIN: 21064597AAAAAX6529

Place: Bengaluru
Date: 26 April 2021

Annexure A to the Independent Auditor's Report

In respect of the Annexure A referred to in paragraph 1 of our report to the Members of Titan Engineering & Automation Limited ('the Company') for the year ended 31 March 2021, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed comprising all the immovable properties of land and buildings which are freehold are held in the name of the Company as at the date of the balance sheet except the following immovable properties:

<table>
<tr><th>No. of cases</th><th>Amount (in lakhs)</th><th>Remarks</th></tr>
<tr><td>Land – 1 (Located at Muduganapalli)</td><td>Gross block – 670
Net block – 670</td><td rowspan="2">The title deeds of land and the occupancy certificate of the buildings are 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 (s) of Madras vide order dated 13 February 2017.</td></tr>
<tr><td>Buildings – 2 (Located at Hosur and Muduganapalli)</td><td>Gross block – 6,286
Net block – 5,307</td></tr>
</table>

ii. The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 of the Act in respect of the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of customs, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise and Value added tax during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2021, 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 based on our examination of the records of the Company, there are no dues in respect of Income tax, Sales tax, Service tax, Goods and Services tax, Duty of customs, Duty of excise and Value added tax which have not been deposited by the Company on account of dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from Government and there are no dues to debenture holders during the year.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, wherever applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanations given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Vikash Gupta
Partner
Membership Number: 064597
UDIN: 21064597AAAAAX6529

Place: Bengaluru
Date: 26 April 2021

Annexure B to the Independent Auditors' report on the financial statements of Titan Engineering & Automation Limited for the year ended 31 March 2021.

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 Companies Act, 2013

(Referred to in paragraph 2(A)(f) 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 2021 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 2021, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether 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 such internal financial controls, 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.

Auditors' Responsibility (continued)

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 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

Vikash Gupta
Partner
Membership No. 064597
UDIN: 21064597AAAAAX6529

Place: Bengaluru
Date: 26 April 2021

Titan Engineering & Automation Limited
Balance sheet as at 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,624	17,110
Capital work-in-progress	3	240	80
Right-of-use assets	4	1,256	1,356
Intangible assets	5	135	123
Intangible assets under development		-	14
Financial assets			
(i) Loans receivables	6.1	307	287
(ii) Other financial assets	6.2	83	79
Income tax assets (net)	15	63	76
Other non-current assets	7	30	76
Total non-current assets		**18,738**	**19,201**
Current assets			
Inventories	8	11,535	12,327
Financial assets			
(i) Investments	9.1	3,994	3,956
(ii) Trade receivables	9.2	7,559	9,704
(iii) Cash and cash equivalents	9.3	2,251	998
(iv) Bank balances other than (iii) above	9.3	1,315	6
(v) Loans receivables	9.4	180	182
(vi) Other financial assets	9.5	4	-
Other current assets	10	3,281	2,224
Total current assets		**30,119**	**29,397**
TOTAL ASSETS		**48,857**	**48,598**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,705	4,705
Other equity	12	30,488	29,608
Total equity		**35,193**	**34,313**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	13	677	840
Provisions	14	869	999
Deferred tax liabilities (net)	15	754	619
Total non-current liabilities		**2,300**	**2,458**
Current liabilities			
Financial liabilities			
(i) Borrowings	16.1	405	-
(ii) Lease liabilities	16.2	234	219
(iii) Trade payables	16.3		
- Total outstanding dues of micro and small enterprises		254	234
- Total outstanding dues of other than micro and small enterprises		1,827	2,375
(iv) Other financial liabilities	16.4	1,414	1,718
Other current liabilities	17	6,794	6,330
Provisions	18	436	951
Total current liabilities		**11,364**	**11,827**
TOTAL EQUITY AND LIABILITIES		**48,857**	**48,598**
Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date attached

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

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

Vikash Gupta	**N P Sridhar**	**S Subramaniam**	**Suresh Rengarajan**	**Sariga P Gokul**
Partner	*Whole-time Director & CEO*	*Director*	*Chief Financial Officer*	Company Secretary
Membership No.: 064597	DIN: 03375241	DIN: 01494407		Membership No.: A39637
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021

Titan Engineering & Automation Limited
Statement of profit and loss for the year ended 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	19	35,357	46,233
Other income	20	542	132
Total income		**35,899**	**46,365**
Expenses:			
Cost of materials consumed		15,662	22,488
Change in inventories of finished goods, stock-in-trade and work-in-progress	21	2,083	784
Employee benefits expense	22	7,888	8,535
Finance costs	23	40	60
Depreciation and amortisation expense	24	2,048	1,880
Other expenses	25	4,220	4,806
Total expenses		**31,941**	**38,553**
Profit before tax		**3,958**	**7,812**
Tax expense:			
Current tax	15	816	1,812
MAT credit (entitlement)/ utilization		-	252
Deferred tax		135	78
Total tax		**951**	**2,142**
Profit for the year		**3,007**	**5,670**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
- Remeasurement of the employee defined benefit plans		302	(378)
- Income tax on above		(76)	104
Total other comprehensive income		**226**	**(274)**
Total comprehensive income for the year		**3,233**	**5,396**
Earnings per equity share of INR 10:			
Basic and diluted (Rs.)	27	6.39	12.05
Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date attached

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

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

Vikash Gupta
Partner
Membership No.: 064597
Place: Bengaluru
Date: 26 April 2021

N P Sridhar
Whole-time Director & CEO
DIN: 03375241
Place: Bengaluru
Date: 26 April 2021

S Subramaniam
Director
DIN: 01494407
Place: Bengaluru
Date: 26 April 2021

Suresh Rengarajan
Chief Financial Officer
Place: Bengaluru
Date: 26 April 2021

Sariga P Gokul
Company Secretary
Membership No.: A39637
Place: Bengaluru
Date: 26 April 2021

Titan Engineering & Automation Limited
Statement of cash flows for the year ended 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities			
Profit before tax		3,958	7,812
Adjustments for:			
Depreciation and amortisation		2,048	1,880
(Gain)/loss on disposal of property, plant and equipment (net)		25	31
Finance costs		40	60
Allowance for doubtful trade receivables		73	73
Income from trade investments		(152)	(46)
Interest income on demand deposits		(50)	(8)
Net exchange differences (unrealised)		(305)	221
(Income)/loss arising on fair valuation of employee loans, leases and investments		3	(36)
		5,640	9,987
Change in operating assets and liabilities			
(Increase)/Decrease in trade receivables		1,945	(4,311)
(Increase)/Decrease in inventories		791	224
(Increase)/Decrease in other financial assets		(21)	5
(Increase)/Decrease in other assets		(1,046)	127
Increase /(Decrease) in trade payables		(467)	(282)
Increase /(Decrease) in provisions		(213)	179
Increase /(Decrease) in other financial liabilities		(163)	(114)
Increase/(decrease) in other current liabilities		464	2,250
Cash generated from/ (used in) operations		1,290	(1,922)
Income taxes (paid)/ refund		(879)	(1,903)
Net cash generated from operating activities	**A**	**6,051**	**6,162**
Cash flows from investing activities			
Purchase of property, plant and equipment including intangibles and capital work in progress		(1,560)	(2,594)
Interest received		50	8
Proceeds from sale of property, plant and equipment		9	52
Bank deposits matured/(placed)		(1,309)	(6)
Sales/(Purchases) of investments, net		107	(3,883)
Net cash used in investing activities	**B**	**(2,703)**	**(6,423)**
Cash flows from financing activities			
Proceeds /(repayment) from short-term borrowings, net		405	-
Payment of lease liabilities		(233)	(448)
Finance cost		(40)	(60)
Dividends paid		(2,353)	-
Net cash used in financing activities	**C**	**(2,221)**	**(508)**
Net increase/ (decrease) in cash and cash equivalents	**(A+B+C)**	**1,127**	**(769)**
Cash and cash equivalents at the beginning of the year (refer note 9.3)		998	1,767
Add/ (Less): Unrealised exchange (gain)/ loss		126	-
Cash and cash equivalents at the end of the year (refer note 9.3)		**2,251**	**998**
Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date attached

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

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

Vikash Gupta	**N P Sridhar**	**S Subramaniam**	**Suresh Rengarajan**	**Sariga P Gokul**
Partner	*Whole-time Director & CEO*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 064597	DIN: 03375241	DIN: 01494407		Membership No.: A39637
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021

Titan Engineering & Automation Limited
Statement of changes in equity for the year ended 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
(a) Equity share capital		
Opening balance	4,705	4,705
Changes in equity share capital during the year	-	-
Closing balance	**4,705**	**4,705**

(b) Other equity

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Items of other comprehensive income (refer note 12)	
Balance as at 1 April 2019	**18,754**	**5,625**	**(167)**	**24,212**
Profit for the year (net of taxes)	-	5,670	-	5,670
Other comprehensive income for the year (net of taxes)	-	-	(274)	(274)
Balance as at 31 March 2020	**18,754**	**11,295**	**(441)**	**29,608**
Balance as at 1 April 2020	**18,754**	**11,295**	**(441)**	**29,608**
Profit for the year (net of taxes)	-	3,007	-	3,007
Dividend Paid	-	(2,353)	-	(2,353)
Other comprehensive income for the year (net of taxes)	-	-	226	226
Balance as at 31 March 2021	**18,754**	**11,949**	**(215)**	**30,488**

Significant accounting policies 2

See accompanying notes to the financial statements

As per our report of even date attached

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

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

Vikash Gupta
Partner
Membership No.: 064597
Place: Bengaluru
Date: 26 April 2021

N P Sridhar
Whole-time Director & CEO
DIN: 03375241
Place: Bengaluru
Date: 26 April 2021

S Subramaniam
Director
DIN: 01494407
Place: Bengaluru
Date: 26 April 2021

Suresh Rengarajan
Chief Financial Officer
Place: Bengaluru
Date: 26 April 2021

Sariga P Gokul
Company Secretary
Membership No.: A39637
Place: Bengaluru
Date: 26 April 2021

Titan Engineering & Automation Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2021

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. Significant Accounting Policies

This note provides a list of significant 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013 (“the Act”) and other relevant provisions of the Act.

ii. Basis of measurement

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

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

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

iii. Use of estimates and judgement

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

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

Assumptions and estimation
Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:
Note 3 – Useful life of the Property, Plant and equipment;
Note 5 – Useful life of the Intangible assets;
Note 15 – Valuation of deferred tax liabilities;
Note 30 – Provisions and contingent liabilities;
Note 31 – Measurement of defined benefit obligations: key actuarial assumptions;
Notes 33 – Fair value measurement of financial instruments.

iv. Functional and presentation currency

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

v. Measurement of fair values

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

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

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

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

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

Further information about the assumptions made in the measuring fair values is included in the Note 33 – financial instruments.

vi. Revenue 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

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.

vi. Revenue recognition (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.

- 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.

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 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

vii. 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.

Right-of-use assets are measured at cost comprising the following:
i) the amount of the initial measurement of lease liability
ii) any initial direct costs
iii) restoration costs

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

vii. Leases (continued)

b) Lease Liabilities:
Lease liabilities are measured at present value of following components:
i) fixed payments less any lease incentives receivable
ii) amounts expected to be payable by the Company under residual value guarantee

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

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

viii. 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.

ix. 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.

Notes to financial statements (continued)

ix. Employee benefits (continued)

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

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

x. 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 tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

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.

Notes to financial statements (continued)

x. Taxation (continued)

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.

xi. Property, Plant and Equipment

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

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

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

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

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. Free hold is not depreciated.

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

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

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

xi. Property, Plant and Equipment (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss.
Advance paid towards acquisition of fixed assets outstanding at each balance sheet date is disclosed as capital advances under non-current assets.

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

xii. Intangible assets

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

The estimated useful lives of intangible assets are as follows:
Software - License period or 5 years, whichever is lower.

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

xiii. Impairment

Impairment of financial assets:

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

Impairment of non-financial assets:

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

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

xiii. Impairment (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 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.

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.

xiv. 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 full absorption cost method based on the average cost of production.

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

Notes to financial statements (continued)

xv. Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised 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.

xvi. 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.

Financial assets and liabilities are initially recognised at fair value. 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.

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)

xvi. Financial instruments (continued)

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

(ii)Financial assets at fair value through comprehensive income

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

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

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

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

B) Financial liabilities: classification and subsequent measurement:

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

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

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.

xvi. Financial instruments (continued)

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

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

xvii. 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.

xviii. 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.

xix. 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.

xx. 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.

xxi. Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Notes to financial statements (continued)

Balance Sheet:

a) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

b) Specified format for disclosure of shareholding of promoters

c) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

d) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

e) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and Servers	Furniture and fixtures	Office equipment	Vehicles	Total
Owned assets	**Gross carrying value**							
As at 1 April 2019	**670**	**6,001**	**11,517**	**547**	**660**	**276**	**198**	**19,869**
Additions	-	246	1,942	320	342	26	53	**2,929**
Disposals	-	-	465	8	59	8	20	**560**
As at 31 March 2020	**670**	**6,247**	**12,994**	**859**	**943**	**294**	**231**	**22,238**
As at 1 April 2020	**670**	**6,247**	**12,994**	**859**	**943**	**294**	**231**	**22,238**
Additions		39	758	295	223	29	14	**1,358**
Disposals		-	79	221	19	6	-	**326**
As at 31 March 2021	**670**	**6,286**	**13,673**	**933**	**1,146**	**317**	**245**	**23,270**
	Accumulated depreciation							
As at 1 April 2019	-	**546**	**2,666**	**236**	**253**	**138**	**61**	**3,900**
Depreciation expense	-	215	1,072	174	139	51	54	**1,705**
Disposals	-	-	390	8	55	7	17	**477**
As at 31 March 2020	-	**761**	**3,348**	**402**	**337**	**182**	**98**	**5,128**
As at 1 April 2020	-	**761**	**3,348**	**402**	**337**	**182**	**98**	**5,128**
Depreciation expense		218	1,076	218	188	52	57	**1,810**
Disposals		-	65	210	11	5	-	**291**
As at 31 March 2021	-	**979**	**4,358**	**410**	**514**	**229**	**155**	**6,646**
	Net carrying value							
As at 31 March 2020	**670**	**5,486**	**9,646**	**457**	**606**	**112**	**133**	**17,110**
As at 31 March 2021	**670**	**5,307**	**9,315**	**523**	**632**	**88**	**90**	**16,624**

Note:
The title deeds of land and the occupancy certificate of the buildings are 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.

Particulars	Capital work-in-progress
As at 1 April 2019	378
Additions	3,718
Capitalisations	4,016
As at 31 March 2020	**80**
As at 1 April 2020	80
Additions	1,099
Capitalisations	939
As at 31 March 2021	**240**

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

4 Right-of-use assets*

Particulars	Building	Land	Plant & machinery	Total
As at 1 April 2019	-	-	-	-
Additions	44	252	1,170	1,466
Disposals	-	-	-	-
As at 31 March 2020	**44**	**252**	**1,170**	**1,466**
As at 1 April 2020	44	252	1,170	1,466
Additions	47	-	-	47
Modifications / terminations	-	-	-	-
As at 31 March 2021	**91**	**252**	**1,170**	**1,513**
Accumulated amortisation				
As at 1 April 2019	-	-	-	-
Amortisation expense	20	36	54	110
Disposals	-	-	-	-
As at 31 March 2020	**20**	**36**	**54**	**110**
As at 1 April 2020	20	36	54	110
Amortisation expense	20	54	73	147
Modifications / terminations	-	-	-	-
As at 31 March 2021	**40**	**90**	**127**	**257**
Net carrying value				
As at 31 March 2020	**24**	**216**	**1,116**	**1,356**
As at 31 March 2021	**51**	**162**	**1,043**	**1,256**

*Also, refer note 29.

5 Intangible assets

Particulars	Computer softwares	Total
Owned assets	**Gross carrying value**	
As at 1 April 2019	**197**	**197**
Additions	55	55
Disposals	-	-
As at 31 March 2020	**252**	**252**
As at 1 April 2020	**252**	**252**
Additions	103	103
Disposals	-	-
As at 31 March 2021	**355**	**355**
	Accumulated amortisation	
As at 1 April 2019	**64**	**64**
Amortisation expense	65	65
Disposals	-	-
As at 31 March 2020	**129**	**129**
As at 1 April 2020	**129**	**129**
Amortisation expense	91	91
Disposals	-	-
As at 31 March 2021	**220**	**220**
	Net carrying value	
As at 31 March 2020	**123**	**123**
As at 31 March 2021	**135**	**135**

6 Financial assets

6.1 Loans receivables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Security deposits	51	38
Employee loans	256	249
	307	**287**

6.2 Other financial assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Other assets (includes electricity, telephone deposits)	83	79
	83	**79**

7 Other non-current assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Capital advances	2	37
Deferred employee cost	28	39
	30	**76**

8 Inventories

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Raw materials [refer (a) below]	5,593	4,195
Work-in-progress	2,850	4,210
Finished goods	2,332	3,055
Stores and spares	760	867
	11,535	**12,327**
a) Included above, goods in transit		
Raw materials	100	209

(i) The cost of inventories recognised as an expense during the year is INR 17,745 lakhs (Previous year : INR 23,272 lakhs).
(ii) The cost of inventories recognised as an expense includes INR 71 lakhs (Previous year: INR 64 lakhs) in respect of write down of inventory to net-realisable value.
(iii) Refer point (xiv) under significant accounting policies for mode of valuation

9 Financial assets

9.1 Investments

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
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 Liquid Fund - Direct Plan - Growth	-	-	107,590	2,371
ICICI Prudential Liquid Fund - Direct Plan - Growth	164,598	499	51,261	151
L&T Liquid Fund - Direct Plan - Growth	-	-	52,675	1,434
Aditya Birla Sun Life Liquid Fund - Growth	151,863	500	-	-
Aditya Birla Sun Life Money Manager Fund - Growth	122,567	349	-	-
HDFC Liquid Fund - Growth Plan	498	20	-	-
HDFC Money Market Fund - Growth Option	11,204	495	-	-
ICICI Prudential Money Market Fund Option - Growth	171,009	501	-	-
Nippon India Liquid Fund -Growth Plan	10,012	500	-	-
Nippon India Money Market Fund-Growth Plan-Growth	15,764	505	-	-
SBI Savings Fund - Regular Plan - Growth	859,802	280	-	-
SBI Magnum Ultra Short Duration Fund - Growth	7,375	345	-	-
		3,994		**3,956**
Aggregate value of unquoted investments		3,994		3,956

9.2 Trade receivables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Considered good - unsecured*	7,559	9,704
Less: Allowance for doubtful trade receivables	-	-
	7,559	9,704
Credit impaired	211	213
Less: Allowance for doubtful trade receivables	(211)	(213)
	-	-
	7,559	**9,704**

*Includes dues from related parties - refer note 32

9.2 Trade receivables (continued)

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 (%)**	
	Domestic	**Exports**
With in credit period	0%	0%
Less than 1 year	0%	0%
1 to 2 years	30%	50%
2 to 3 years	60%	100%
Over 3 years	100%	100%

Age of receivables	**As at 31 March 2021**	**As at 31 March 2020**
With in credit period	3,257	5,004
Less than 1 year	4,206	4,409
1 to 2 years	235	371
2 to 3 years	58	100
Over 3 years	14	33

Movement in the expected credit loss allowance	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Balance at the beginning of the year	213	147
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(2)	66
Balance at the end of the year	**211**	**213**

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

9.3 Cash and bank balances

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Balances with banks		
- current accounts	420	998
- demand deposits (with original maturity of less than 3 months)	1,831	-
	2,251	**998**
Other bank balances		
- demand deposits (with original maturity of more than 3 months but less than 12 months)	1,309	-
- Fixed deposits held as margin money against bank guarantee	6	6
Total other bank balances	**1,315**	**6**
	3,566	**1,004**

9.4 Loans receivables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Security deposits	5	13
Employee loans	175	169
	180	**182**

9.5 Other financial assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Other financial assets	4	-
	4	**-**

10 Other current assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Advances to suppliers	439	449
Prepaid expenses	79	62
Balance with revenue authorities*	2,521	1,582
Gratuity {refer note 30}	103	-
Others assets (includes travel advances, employee dues)	139	131
	3,281	**2,224**

* Balance with revenue authorities includes GST credits of INR 1,273 lakhs (Previous year: INR 303 lakhs) in respect to GST input credit, transitional credit and deemed credit.

(All amounts in INR lakhs, unless otherwise stated)

11 Share capital

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Authorised share capital		
60,000,000 (Previous year : 60,000,000) equity shares of par value of INR 10 each	6,000	6,000
Issued, subscribed and fully paid-up shares		
47,050,000 (Previous year : 47,050,000) equity shares of par value of INR 10 each	4,705	4,705
	4,705	**4,705**

a) Rights, preferences and restrictions attached to shares

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

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

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

	31 March 2021		**31 March 2020**	
	Number	**Amount**	**Number**	**Amount**
Equity shares with voting rights				
At the beginning of the year	47,050,000	4,705	47,050,000	4,705
At the end of the year	**47,050,000**	**4,705**	**47,050,000**	**4,705**

c) Details of shareholders holding more than 5% of a class of shares is set below and shares held by the Holding and fellow subsidiary companies:

	31 March 2021		**31 March 2020**	
Name of shareholder	**Number**	**%**	**Number**	**%**
Titan Company Limited - Holding company	**47,050,000**	100	**47,050,000**	100

d) Buy back of shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There has been no buy back of shares and no shares have been allotted as fully paid pursuant to any contract without payment being received in cash from the date of incorporation till 31 March 2021.

12 Other equity

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Retained earnings	11,949	11,295
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)		
Securities premium	18,754	18,754
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)		
Other comprehensive income	(215)	(441)
(Represents actuarial gain or loss on remeasurement of defined benefit obligation)		
	30,488	**29,608**

13 Financial liabilities

Lease liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Lease liabilities {refer note 29}	677	840
	677	**840**

14 Provisions

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Provision for compensated absences	869	999
	869	**999**

(All amounts in INR lakhs, unless otherwise stated)

15 Income taxes

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Deferred tax assets	314	423
Deferred tax liabilities	(1,069)	(1,042)
	(754)	**(619)**

Particulars	**As at 1 April 2020**	**Recognised in statement of profit and loss**	**Recognised in OCI**	**As at 30 March 2021**
Deferred tax liabilities				
Property, plant and equipment	(1,036)	(31)	-	(1,067)
Intangible asset	(6)	5	-	(1)
	(1,042)	(27)	-	(1,069)
Deferred tax assets				
MAT credit entitlement	-	-	-	-
Provisions for compensated absences and doubtful debts	378	(69)	-	309
Compensation towards voluntary retirement	32	(32)	-	-
Lease liabilities (net of Right-of-use assets)	13	(8)	-	5
	423	(109)	-	314
Net deferred tax asset /(liability)	**(619)**	**(135)**	**-**	**(754)**

Particulars	**As at 1 April 2019**	**Recognised in statement of profit and loss**	**Recognised in OCI**	**As at 31 March 2020**
Deferred tax liabilities				
Property, plant and equipment	(1,037)	1	-	(1,036)
Intangible asset	(11)	5	-	(6)
	(1,048)	6	-	(1,042)
Deferred tax assets				
MAT credit entitlement	252	(252)	-	-
Provisions for compensated absences and doubtful debts	419	(41)	-	378
Compensation towards voluntary retirement	88	(56)	-	32
Lease liabilities (net of Right-of-use assets)	-	13	-	13
	759	(336)	-	423
Net deferred tax asset /(liability)	**(289)**	**(330)**	**-**	**(619)**

15.2 **Amounts recognised in statement of profit and loss**

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Current tax	816	1,812
Deferred tax	135	78
MAT credit (entitlement)/ utilization	-	252
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	76	(104)
Tax expense for the year	**1,027**	**2,038**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Profit before tax	3,958	7,812
Enacted income tax rate in India	25.17%	29.12%
Computed expected tax expense	**996**	**2,275**
Effect of:		
Expenses that are not deductible in determining taxable profit	29	72
Effect of change in income tax rates	-	(189)
Others	(76)	(16)
Income tax expense recognised in the statement of profit and loss	**951**	**2,142**

From the Assessment Year 2021-22 relevant to the financial year 2020-21, the Company expects to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has computed deferred tax based on the rate prescribed in the said section, as deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

15 Income taxes (continued)

15.4 The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Income tax assets (net)	63	76
Current tax liabilities (net)	-	-
Net current income tax asset/ (liability) at the end of the year	**63**	**76**

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Net current income tax asset/ (liability) at the beginning of the year	76	(119)
Income tax paid	879	1,903
Current income tax expense	(816)	(1,812)
Income tax on other comprehensive income and others	(76)	104
Net current income tax asset/ (liability) at the end of the year	**63**	**76**

16 Financial liabilities
16.1 Borrowings

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Unsecured		
Cash Credit from Bank	405	-
	405	**-**

Note: The interest rate on the cash credit facilty is 7.7% p.a. The interest is payable at monthly intervals

16.2 Lease liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Lease liabilities {refer note 29}	234	219
	234	**219**

16.3 Trade payables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade payables		
Total outstanding dues of micro and small enterprises {Refer note (a) below}	254	234
Total outstanding dues of other than micro and small enterprises *	1,827	2,375
	2,081	**2,609**

* Includes payable to related party amounting to INR 21 lakhs (Previous year: INR 342 lakhs), refer note 32

(a) 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 2021. 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 2021**	**As at 31 March 2020**
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of the year;	-	-
- Principal	254	234
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006).	-	-
(c) The amount of the payments made to micro and small suppliers beyond the appointed day during the year.	55	91
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) 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 purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(All amounts in INR lakhs, unless otherwise stated)

16.4 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Payables on purchase of property, plant and equipment	39	27
Derivative instruments other than in designated hedge accounting relationships	52	335
Other financial liabilities		
- Employee related	1,087	1,099
- Others (includes liability towards shortfall in PF trust, retentions, LIC and salary deductions payable)	236	257
	1,414	**1,718**

17 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	6,669	6,262
Statutory dues	125	68
	6,794	**6,330**

18 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for compensated absences	132	281
Provision for gratuity {refer note 31}	-	390
Provision for warranty {refer note (a) below}	304	280
	436	**951**

Note (a) Provision for warranty

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	280	184
Provisions made during the year	184	245
Utilisations/ reversed during the year	(160)	(149)
Balance at the end of the year	**304**	**280**

(All amounts in INR lakhs, unless otherwise stated)

19 Revenue from operations

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Sale of products		
Automation solutions	22,998	24,370
Aerospace and Defence	11,013	21,049
	34,011	**45,419**
Income from services provided	1,214	687
Other operating revenues		
- Sale of scrap	132	127
	35,357	**46,233**

As per the requirement of Ind AS 115, the Company disaggregates revenue based on line of business (as given in note 26)

Impact of COVID-19 (Global pandemic):

While the Company believes strongly that it has two distinctly different business segments and the impact on future revenue streams could come majorly from the following –

- Postponement of capex by customers and Airline industry demand will have impact on our businesses
- Prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility

The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

20 Other income

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Interest from employee loans	27	29
Income from trade investments	152	46
Exchange gain	295	-
Miscellaneous income	68	57
	542	**132**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Closing stock		
Finished goods	2,332	3,055
Work-in progress	2,850	4,210
	5,182	**7,265**
Opening stock		
Finished goods	3,055	2,010
Work-in progress	4,210	6,039
	7,265	**8,049**
(Increase) / decrease in inventory	**2,083**	**784**

22 Employee benefits expense

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Salaries, wages and bonus	6,744	7,290
Company's contribution to provident and other funds {refer note 31(a and b)}	328	332
Gratuity {refer note 31(c)}	199	142
Staff Welfare expenses	617	771
	7,888	**8,535**

23 Finance costs

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Interest on borrowings	2	25
Interest on lease liability	38	35
	40	**60**

24 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	1,810	1,705
Amortisation of right-of-use assets (refer note 4)	147	110
Amortisation of intangible assets (refer note 5)	91	65
	2,048	**1,880**

25 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Agency labour	324	392
Power and fuel	406	544
Repairs and maintenance		
- Buildings	68	78
- Plant and machinery	231	423
- Others	149	121
Professional and services charges	933	556
Advertising and sales promotion	3	13
Selling and distribution expenses	477	221
Insurance	79	62
Rent {refer note 29}	5	9
Rates and taxes	185	126
Travel and conveyance	318	753
Bad debts written off	75	9
Less: Provision released	(75)	(9)
	-	-
Provision for doubtful debts, net	73	73
Loss on sale / disposal / scrapping of property, plant and equipment (net)	25	31
Expenditure on corporate social responsibility {refer note (c) below}	109	62
Miscellaneous expenses {refer note (a) and (b) below}	833	1,325
Commission to non-whole-time Directors	2	17
	4,220	**4,806**

(a) Includes exchange loss (net) of Nil (Previous year: INR 282 lakhs)
(b) Auditors remuneration comprises fees for audit of statutory accounts INR 19 lakhs (Previous year: INR 19 lakhs), taxation matters INR 4 lakhs (Previous year: INR 4 lakhs) and reimbursement of levies and expenses INR 2 lakhs (Previous year: INR 2 lakhs).

(c) Corporate Social Responsibility:
(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: INR 109 lakhs (Previous year: INR 62 lakhs).

(ii) Amount spent during the year on:

	In cash	Yet to be paid in cash	Total
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	109	-	109
	109	**-**	**109**

26 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 2021	**For the year ended 31 March 2020**	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Automation solutions	23,032	24,407	3,771	3,037
Aerospace and defence	12,325	21,826	226	4,835
	35,357	46,233	3,998	7,872
Finance costs			40	60
Profit before taxes			**3,958**	**7,812**

c) Segment assets and liabilities

	For the year ended 31 March 2021	**For the year ended 31 March 2020**
Segment assets		
Automation solutions	20,797	16,301
Aerospace and defence	27,997	32,221
Corporate (unallocated)	63	76
	48,857	**48,598**

	For the year ended 31 March 2021	**For the year ended 31 March 2020**
Segment liabilities		
Automation solutions	8,865	8,758
Aerospace and defence	4,045	4,908
Corporate (unallocated)	754	619
	13,664	**14,285**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Revenue		
India	17,846	20,694
Outside India	17,511	25,539

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.

26.1 Information about major customers
Included in revenues arising from direct sales of INR 35,357 lakhs (Previous year: INR 46,233 lakhs) are revenues of approximately INR 6,264 lakhs (Previous year: INR 6,268 lakhs) which arose from sales to the Company's largest customer and revenues of approximately INR 5,201 lakhs (Previous year: INR 6,118 lakhs) which arose from sales to the Company's second largest customer. No other single customer contributed 10% or more to the Company's revenue for the reported years.

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Profit for the year (INR in lakhs)	3,007	5,670
Weighted average number of equity shares	47,050,000	47,050,000
Nominal value of shares (INR)	10	10
Earnings per share - Basic and diluted (INR)	6.39	12.05

28 Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 571 lakhs (Previous year: INR 1,309 lakhs).

29 Leases

29.1 Amounts recognised in balance sheet

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Right-of-use assets	4		
Building		51	24
Land		162	216
Plant & machinery		1,043	1,116
		1,256	**1,356**
(ii) Lease liabilities			
Non-current	13	677	840
Current	16	234	219
		911	**1,059**

29.2 Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Depreciation and amortisation expense	4		
Building		20	20
Land		54	36
Plant & machinery		73	54
		147	**110**
(ii) Interest expense (included in finance cost)	23	38	35
(iii) Expense relating to short-term leases {refer note (a) below}	25	5	9

(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 2021 amounts to INR 233 lakhs. (Previous year: INR 483 lakhs).

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent is lower by	81	59
Depreciation is higher by	(147)	(110)
Finance cost is higher by	(38)	(35)
	(104)	**(86)**

The Company has discounted lease payments using applicable incremental borrowing rate as at 1 April 2020 i.e. 9.25% for measuring the lease liability.

Impact of COVID-19 (Global pandemic):

The Company does not foresee any large-scale contraction in demand which could result in significant downsizing of its operation and related employee base rendering the sales and allied function. The leases that the Company has entered with lessors are towards properties used as factory, offices which are long term in nature and no material changes in terms of those leases are expected due to the COVID-19.

29.4 The amount of lease commitment for short term leases as at 31 March 2021 is nil (Previous year: INR 9 lakhs)

30 (a) Contingent liabilities not provided for - INR 10 lakhs (Previous year: INR 10 lakhs) pertain to excise duty (relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax and excise duty)

(b) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act,1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made a provision for provident fund contribution based on it's interpretation of the said judgement. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

31 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 2021**	**For the year ended 31 March 2020**
Superannuation fund	42	50
Employee pension fund	129	124
	171	**174**

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 2021**	**For the year ended 31 March 2020**
Provident fund*	157	158
	157	**158**

* Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such shortfall as an expense. During the previous year ended 31 March 2020, the Company has charged INR: 131 lakhs being the change in measurement of defined benefit plans, in other comprehensive income for the shortfall in the interest payable by the Trust to the beneficiaries as on the balance sheet date.

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

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

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Discount rate (p.a.)	6.90%	6.90%
Salary escalation rate (p.a.)		
- Non-management	7.0%	7.0%
- Management	7.0%	8.0%

- The retirement age of employees of the Company varies from 58 to 60 years.
- The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.
- Rates of leaving service (leaving service due to disability included) at specimen ages are as shown below (Rate per annum):

Age (years)	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
21-44	6%	6%
45 and above	2%	2%

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Current service cost	176	124
Interest on net defined benefit liability/ (asset)	23	18
Total component of defined benefit costs charge to the statement of profit and loss	**199**	**142**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Opening amount recognised in other comprehensive income outside profit and loss account	**420**	**172**
Remeasurements during the period due to:		
- Changes in financial assumptions	(131)	148
- Changes in demographic assumptions	-	(37)
- Experience adjustments	(139)	111
- Actual return on plan assets less interest on plan assets	(33)	26
Closing amount recognised in outside of statement of profit and loss	**117**	**420**

31 Employee benefits (continued)

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 2021**	**For the year ended 31 March 2020**
Opening net defined benefit liability/ (asset)	390	287
Expense charged to profit and loss account	199	142
Amount recognised outside statement of profit and loss	(302)	248
Employer contributions	(390)	(287)
Closing net defined benefit liability/ (asset)	**(103)**	**390**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Opening defined benefit obligation	1,958	1,502
Current service cost	176	124
Interest cost	129	111
Remeasurement due to		
- Actuarial gains and losses arising from changes in financial assumptions	(131)	148
- Actuarial gains and losses arising from changes in demographic assumptions	-	(37)
- Actuarial gains and losses arising from experience adjustments	(139)	111
Benefits paid	(154)	(1)
Closing defined benefit obligation	**1,839**	**1,958**

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

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Opening fair value of plan assets	1,568	1,215
Employer contributions	390	287
Interest on plan assets	106	93
Remeasurements due to actuarial return on plan assets less interest on plan assets	33	(26)
Benefits paid	(154)	(1)
Closing fair value of plan assets	**1,942**	**1,568**

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount 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 2021	
	Discount rate	**Salary escalation rate**	**Attrition rate**
Defined benefit obligation on plus 50 basis points	1,746	1,937	1,803
Defined benefit obligation on minus 50 basis points	1,937	1,746	1,849

Maturity profile of defined benefit obligation

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
With in year 1	117	175
1 year to 2 years	116	117
2 years to 3 years	60	115
3 years to 4 years	110	80
4 years to 5 years	124	110
Over 5 years	3,894	4,045

The Company is expected to contribute INR 50 lakhs to the gratuity fund next year.
A split of plan asset between various asset classes is as below:

	For the year ended 31 March 2021		**For the year ended 31 March 2020**	
	Quoted	**Unquoted**	**Quoted**	**Quoted**
Government debt instruments	848	-	867	-
Other debt instruments	932	-	624	-
Entity's own equity instruments	109	-	81	-
Others	-	52	-	(5)

Titan Engineering & Automation Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in INR lakhs, unless otherwise stated)

32 Related parties:

i) Relationship

a) Holding company	Titan Company Limited
b) Fellow subsidiaries	Caratlane Trading Private Limited Favre Leuba AG (Switzerland) Titan Watch Company Hong Kong Limited (100% subsidiary of Favre Leuba AG)
c) Other related parties	Montblanc India Retail Private Limited Green Infra Windpower Theni Limited
d) Promoter of holding company	Tata Sons Private Limited Tamilnadu Industrial Development Corporation Limited
e) Key Management Personnel (KMP)	Mr. R Vivekanandah, Whole-time Director & CEO (Till 30-Jun-2020) Mr. N P Sridhar, Whole-time Director & CEO (From 01-Jul-2020) Mr. S Subramaniam, Director Mr. Suresh Rengarajan, CFO Ms. Sariga P Gokul, Company Secretary **Non - executive Directors** Mr. N Kailasanathan
f) Group entities (Wherever there are transactions)	Tata AIG General Insurance Company Limited Tata Consultancy Services Limited Tata SmartFoodz Limited Tata Teleservices Limited 915 Labs LLC Tata Advanced Materials Limited Tata Electronics Private Limited
g) Post employee benefit plan entities	Titan Watches Provident Fund Titan Watches Super Annuation Fund Titan Industries Gratuity Fund

ii) Related party transactions during the year :

	Relationship	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Cost of materials consumed			
Titan Company Limited	Holding company	34	-
Revenue from operations			
Titan Company Limited	Holding company	15	2
915 Labs LLC	Group entities	-	9
Tata SmartFoodz Limited	Group entities	-	1,630
Tata Advanced Materials Limited	Group entities	27	-
Tata Consultancy Services Limited	Group entities	171	-
Tata Sons Private Limited	Promoter of holding company	0	-
Tata Electronics Private Limited	Group entities	539	
Purchases of services			
Tata Teleservices Limited	Group entities	7	4
Tata Consultancy Services Limited	Group entities	42	36
Tata AIG General Insurance Company Limited	Group entities	-	-
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter of holding company	0	1
Mr. R Vivekanandah	KMP	1	6
Miscellaneous expenses			
Titan Company Limited	Holding company	324	243
Tata Electronics Private Limited	Group entities	1	-
Dividend paid			
Titan Company Limited	Holding company	2,353	-
Income from services provided			
Tata Electronics Private Limited	Group entities	264	-
Key managerial personnel compensation			
Managerial remuneration*	KMP	250	267
Commission and sitting fees	KMP	12	10
Contribution to Trust funds			
Titan Watches Provident Fund	Post employee benefit plan entities	670	664
Titan Watches Super Annuation Fund	Post employee benefit plan entities	50	46
Titan Industries Gratuity Fund	Post employee benefit plan entities	390	287

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

		As at 31 March 2021	**As at 31 March 2020**
Outstanding - net payables			
Titan Company Limited	Holding company	20	342
Tata Consultancy Services Limited	Group entities	8	-
Outstanding - net receivable			
Tata Advanced Materials Limited	Group entities	6	-
Tata Electronics Private Limited	Group entities	189	-

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.

(All amounts in INR lakhs, unless otherwise stated)

33 Financial instruments

33.1 Categories of financial instruments

Financial assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	3,994	3,956
Total financial assets measured at FVTPL (a)	**3,994**	**3,956**
Measured at amortised cost		
- Trade receivables	7,559	9,704
- Cash and cash equivalents	2,251	998
- Bank balances other than cash and cash equivalents	1,315	6
- Security deposits	56	51
- Other assets	87	79
- Employee loans	431	418
Total financial assets measured at amortised cost (b)	**11,699**	**11,256**
Derivative instruments other than in designated hedge accounting relationships (c)	-	-
Total financial assets (a + b + c)	**15,693**	**15,212**

Financial liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Measured at fair value through profit or loss (FVTPL)		
Derivative instruments other than in designated hedge accounting relationships	52	335
Total financial liabilities measured at FVTPL (a)	**52**	**335**
Measured at amortised cost		
- Borrowings (Cash Credit from Bank)	405	-
- Trade payables	2,081	2,609
- Lease liability	911	1,059
- Other financial liabilities	1,362	1,383
Total financial liabilities measured at amortised cost (b)	**4,759**	**5,051**
Total financial liabilities (a + b)	**4,811**	**5,386**

(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 2021**		
Financial assets and liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
- Quoted investments at FVTPL	-	3,994	-	3,994
Total financial assets	-	**3,994**	-	**3,994**
Financial liabilities				
- Derivative instruments other than in designated hedge accounting relationships	-	52	-	52
Total financial liabilities	-	**52**	-	**52**

Particulars		**As at 31 March 2021**		
Financial assets and liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
- Quoted investments at FVTPL	-	3,956	-	3,956
Total financial assets	-	**3,956**	-	**3,956**
Financial liabilities				
- Derivative instruments other than in designated hedge accounting relationships	-	335	-	335
Total financial liabilities	-	**335**	-	**335**

33.1 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.

33.2 Credit risk

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

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

Impact of COVID-19 (Global pandemic):

Financial instruments carried at fair value as at March 31, 2021 is INR 3,994 lakhs and financial instruments carried at amortised cost as at March 31, 2021 is INR 11,699 lakhs. The financial assets carried at fair value by the Company are investments in mutual funds and accordingly, any material volatility is not expected. Financial assets of INR 3,566 lakhs as at March 31, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of INR 7,559 lakhs as at March 31, 2021 forms a part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable.

33.3 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 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 2021			
Non-derivatives			
Borrowings	405	-	405
Trade payables	2,081	-	2,081
Lease liability	234	677	911
Other financial liabilities	1,362	-	1,362
Total non-derivative liabilities	**4,082**	**677**	**4,759**
Derivative instruments other than in designated hedge accounting relationships	52	-	52
Total financial liabilities	**4,134**	**677**	**4,811**

Contractual maturities of financial liabilities	less than 1 year	more than 1 year	Total
As at 31 March 2020			
Non-derivatives			
Trade payables	2,609	-	2,609
Lease liability	219	840	1,059
Other financial liabilities	1,383	-	1,383
Total non-derivative liabilities	**4,211**	**840**	**5,051**
Derivative instruments other than in designated hedge accounting relationships	335	-	335
Total financial liabilities	**4,546**	**840**	**5,386**

33.4 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 2021		As at 31 March 2020	
	Foreign Currency (in lakhs)	Amount in INR	Foreign Currency (in lakhs)	Amount in INR
Trade Receivables				
- EUR	30.98	2,657	12.90	1,065
- USD	26.02	1,902	32.02	2,418
- GBP	-	-	0.11	-
Bank balances				
- EUR	0.52	45	-	-
- USD	0.81	59	-	-
Advances to suppliers				
- EUR	1.38	118	1.48	122
- USD	4.44	325	2.03	153
- CHF	0.01	0	-	
- GBP	0.08	8	0.01	1
- JPY	42.23	28	0.04	0
- SGD	0.01	1	-	
Trade Payables				
- EUR	8.79	754	10.67	881
- USD	7.80	570	8.50	642
- CHF	0.29	22	0.01	0
- GBP	0.24	24	0.40	37
- JPY	39.85	26	31.52	22
- SGD	0.02	1	0.02	1
Advance from customers				
- EUR	0.61	52	10.87	898
- USD	1.99	146	0.80	60
- GBP	-	-	0.05	5

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 an increase in profit or equity by INR 14 lakhs (Previous year: INR 8 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 decrease 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.

Impact of COVID-19 (Global pandemic):

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions may be impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness

(All amounts in INR lakhs, unless otherwise stated)

34 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.

As per our report of even date attached

for **B S R & Co. LLP**	*for and on behalf of the Board of Directors of*			
Chartered Accountants	**Titan Engineering & Automation Limited**			
Firm Registration No.: 101248W/W-100022	(CIN: U33111TZ2015PLC021232)			
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Vikash Gupta	**N P Sridhar**	**S Subramaniam**	**Suresh Rengarajan**	**Sariga P Gokul**
Partner	*Whole-time Director & CEO*	*Director*	*Chief Financial Officer*	Company Secretary
Membership No.: 064597	DIN: 03375241	DIN: 01494407		Membership No.: A39637
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021	Date: 26 April 2021