TITAN COMPANY

SEC 38 / 2021-22

5th July 2021

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Dear Sir/Madam,

Sub.: Notice of the 37th Annual General Meeting ('AGM') of the Company for FY 2020-21 as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Annual Report for the financial year 2020-21

Pursuant to Regulation 30 read with paragraph A of Part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), attached herewith is the Notice and the Explanatory Statement of the 37th Annual General Meeting of the Company to be held on Monday, 2nd August 2021 at 2.30 p.m. (IST) via two-way Video Conference / Other Audio Visual Means. The said Notice forms part of the Annual Report 2020-21 and is being sent through electronic mode to the shareholders of the Company.

Also, pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report of the Company for FY21.

The Annual Report for FY 2020-21 is available on the website of the Company at https://www.titancompany.in/sites/default/files/Titan%20Annual%20Report%202021.pdf

This is for your information and records.

Thanking You,
Yours Truly,
For TITAN COMPANY LIMITED

Dinesh Shetty
General Counsel & Company Secretary

TITAN COMPANY

TITAN COMPANY LIMITED

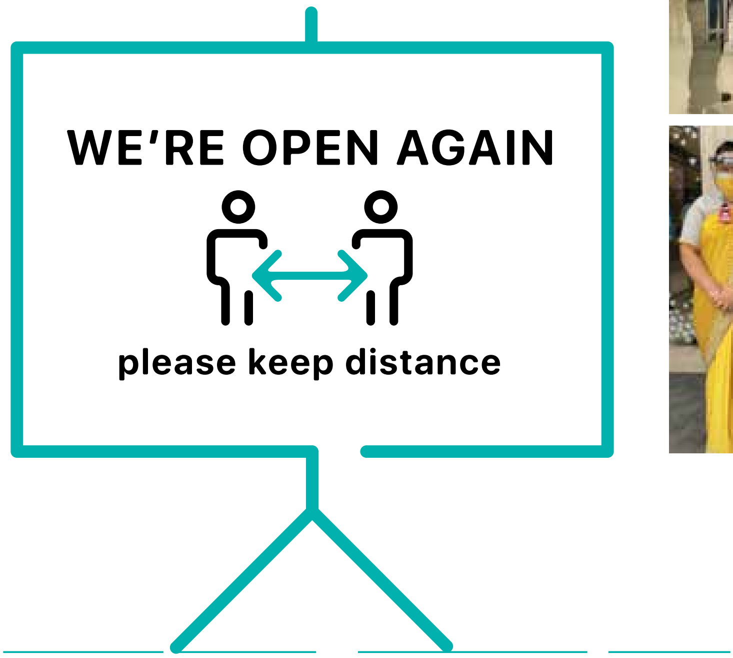
37th Annual Report 2020-21

Welcome to Titan Company Annual Report 2020-21

Contents

Scan the above QR code to read the report on your hand-held devices.

To download this report or for any other information log on to **www.titancompany.in**



Dedicated, accessible and trustworthy, our retail and store employees are the beating heart of our principal proposition of delivering customer satisfaction and seamless alignment with customer needs.

They say that when the going gets tough, the tough get going. As the pandemic swept over the country, with customers being forced to stay at home and shops being shuttered down,Titan's resolute store staff refused to let despondency defeat them.

Once the lockdown was lifted, they proactively rolled up their sleeves and set out to ensure that shops and retail outlets become safe and desirable destinations, as they were before. Attired in Personal Protective Equipments (PPEs), they managed stores, showcased the products and reached out to customers.

Sacrificing personal commitments and without fear, they ensured that the shop floors, aisles and displays were safe and ready to welcome back shoppers.

Pushing the boundaries of selfless service and customer centricity, the retail staff are our pride and joy, inspiring each of us to seek out opportunities and stay anchored in values during these uncertain times.

About TITAN

Titan is today one of the country's most admired and respected companies. With a corporate lineage tracing back to the Tata Group and Tamilnadu Industrial Development Corporation (TIDCO), Titan has transformed itself from being one of the world's largest integrated watch manufacturer with an enviable distribution footprint, to a premier lifestyle Company with a presence in the jewellery, watches, fragrances, eyewear and Indian dress wear segments.

Driven by the relentless pursuit of excellence and credo of customer-centric innovation, Titan products today touch the daily lives of millions of consumers. The Company's quality and design proposition and personalised service orientation has been a key differentiator enabling it to build a deep customer connect. The Company continues to invest in the latest technology for facilitating seamless and immersive shopping experiences.

Titan's growth is led by its dedicated and talented people. Underpinned by its unwavering commitment to crafting a sustainable and environment-friendly world and building long-term mutually beneficial relationships with all its partners and stakeholders, while always staying rooted to the Tata ethos and values, the Company remains focussed on creating long-term value.

Our Vision

WE CREATE ELEVATING EXPERIENCES FOR THE PEOPLE WE TOUCH AND SIGNIFICANTLY IMPACT THE WORLD WE WORK IN.

Our Mission

WE WILL DO THIS THROUGH A PIONEERING SPIRIT AND A CARING, VALUE-DRIVEN CULTURE THAT FOSTERS INNOVATION, DRIVES PERFORMANCE AND ENSURES THE HIGHEST GLOBAL STANDARDS IN EVERYTHING WE DO.

Our Values and Standards

Total Customer Orientation
Customers take precedence over everything else, always.

Employee Appreciation
We value and respect Titanians and endeavour to fulfil their needs and aspirations.

Performance Culture and Teamwork
At Titan, high performance is a way of life and is nurtured by teamwork.

Creativity and Innovation
We continue to grow and set new standards for innovation and quality with each new offering.

Passion for Excellence
In all our pursuits, we ceaselessly strive for excellence.

Corporate Citizenship
Titan believes in being a responsible corporate citizen and proactively engages in issues customer-centricity it operates in and the environment in general.

TITAN IN NUMBERS
as of 31st March 2021

$2.7 billion
Annual Revenue

$19 billion
Market Cap

Store reach
1,909 stores with 2.5 million square feet of retail space

7,235
Employee strength

One of the largest watchmakers globally

662
Watch care centres in 241 cities

14
Taneira stores across 6 cities

11
Manufacturing and assembly facilities

4
Featured 4 times in Forbes' Asia Fab Fifty

4
State of the art karigar centres incorporating industry best practices

7,000+
multi-brand watch outlets

Brand at a Glance

	Luxury	Premium	Mid-Market	Mass Market
Watches	FAVRE-LEUBA	XYLYS Swiss made; NEBULA by TITAN	TITAN; fastrack move on; Zoop by Titan	SONATA A TITAN PRODUCT
Jewellery	ZOYA The Exquisite Diamond Boutique A TATA PRODUCT	TANISHQ	Mia by Tanishq; CARATLANE	
Eyewear			TITAN eyeplus; GLARES by TITAN; fastrack move on	
Perfumes			SKINN by TITAN Fine French Perfumes	SKINN by TITAN; fastrack Perfumes
Sarees			TANEIRA A TATA PRODUCT	

Licensed Brands

TOMMY HILFIGER | POLICE WATCHES | ANNE KLEIN | KENNETH COLE | OLIVIA BURTON LONDON | COACH NEW YORK

Financial Highlights

Total Income

₹ 20,783 crore
2020-21

₹ 20,156 crore
2019-20

Change 3%

PBT

₹ 1,233 crore
2020-21

₹ 2,105 crore
2019-20

Change -41%

EBIDTA

₹ 1,745 crore
2020-21

₹ 2,564 crore
2019-20

Change -32%

PAT

₹ 877 crore
2020-21

₹ 1,517 crore
2019-20

Change -42%

ROE

12%
2020-21

22%
2019-20

Change -48%

Market Cap

₹ 1,38,322 crore
as on 31st March 2021

₹ 82,893 crore
as on 31st March 2020

Change 67%

ROCE

22%
2020-21

35%
2019-20

Change -37%

Highlights of the Year

Tanishq launched Ekatvam collection

Zoya launched Rooted collection

Mia by Tanishq launched The Princess Edit

Tanishq launched Aarambh collection

Titan launched Grandmaster collection

Launched Titan Raga Garden of Eden collection

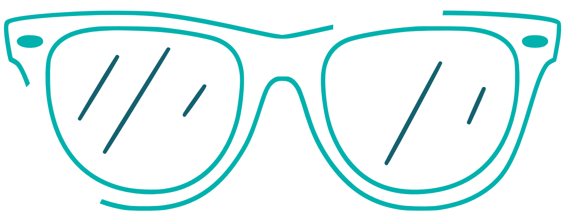
Launched high-performance smartwatch, TraQ

Fastrack launched Ruffles collection

Sonata launched Connected X smartwatch

Launched Edge Mechanical Slim - The Limited Edition Edge Mechanical watch is coming together of world-class engineering and design which is the slimmest mechanical movement made by Titan

Launched Titan Pay, India's first payment watch



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Letter from the Managing Director

Dear Shareholders,

These are unprecedented times. The second wave of Covid-19 has had a tragic impact all around us. We have lost many of our colleagues to the virus. The suffering has been immeasurable. On behalf of Titan, we offer our deepest condolences to those who have lost their family members.

To me, the abiding memory of last year was the image of the retail sales officer working in the stores of Titan Company. Wearing the mask and the shield for hours together, never losing patience, always showing her smile, relentlessly presenting the gold standard in safety, among the best in the retail industry. It is that stringent safety protocol, sitting on top of the exceptional relationships that each one of them had built with the millions of our customers, that powered the recovery starting early Q2.

We owe them so much.

Amidst all the trials and tribulations of FY21, heartening stories of hope and courage continued to emerge: women and men demonstrating extraordinary resilience and dedication, going above and beyond their call of duty. The Titan family is full of such extraordinary people like the shop floor and retail employees proudly showcased in this year's annual report, other employees who innovated wonderfully even while navigating the challenges of working from home, all our retail and distribution partners and their employees, and vendor partners and their employees in whose hearts Titan forever continues to beat. I would like to thank each one of them for their amazing commitment in keeping themselves and others safe while helping us to continue our operations, serve our customers, and support our communities. Their contribution in this unprecedented year is truly incredible and inspiring.

It was only fair that Titan Company took care of this large family during an economically and emotionally challenging year. From pay protection to job protection to hospitalisation insurance and helplines for the employees, from soft loans to salary support to transit homes and to retail, distribution and vendor partners, your Company reached out and made life comfortable for the thousands of people directly and indirectly dependent on it.

The multiple-stakeholder approach was even more evident in the manner in which we dealt with our NGO partners and our programmes. Despite the challenging times, Titan continued to honour its commitment towards the community. Upliftment of the girl child, the skilling of people and helping Indian artisans preserve and market their heritage remained close to our heart. This year we continued to support CSR

Our profit before tax (PBT) for the year ended March 2021, was ₹ 1,233 crore (after exceptional items) compared to ₹ 2,105 crore in the previous year.

projects including Mission Gaurav where we partnered with Tata Trusts to help more than 3 lakh guest workers across four states to ride out the COVID-19 challenge over a six-month period.

Let me now come to the business performance during Financial Year 2020-21.

Private Final Consumption Expenditure (PFCE), a vital indicator to gauge household spending in the country and the largest component of GDP, fell by 54% in the first quarter of FY21, compared to a 56% growth in the same period in the previous fiscal. Pay cuts and layoffs across the country and a drop in consumer confidence, with people preferring to save money, continued to erode demand. With our products being in the category of discretionary spends and consumer sentiment severely affected across geographies, our businesses faced significant headwinds.

I am pleased to report that against this challenging economic backdrop, Titan delivered a satisfactory financial performance: revenue from operations stood at ₹ 20,602 crore (including bullion sale) in FY21, compared to ₹ 20,010 crore in FY20.

I would like to thank all our customers who continued to give us their patronage even in the midst of this huge pressure on discretionary consumption and enabled this exceptional recovery.

The war-on-waste programme begun in H2 of FY20 was a success, enabling us to optimise our costs and free precious working capital across different departments. In addition, we exercised discretionary cuts on various expense heads due to the lower level of activity. The Company was also successful in negotiating fairly significant waivers and reductions for rentals in these disruptive times. These proactive measures enabled us to safeguard our profitability to a considerable extent, despite the market contraction in the first half of the year. Our profit before tax (PBT) for the year ended 31st March 2021, was ₹ 1,233 crore (after exceptional items) compared to ₹ 2,105 crore in the previous year. On account of the various measures undertaken during the year, your Company ended the year with a comfortable cash position and the same should take care of any unforeseen eventualities in the current year.

What makes last year's performance especially creditworthy, is that it was achieved with complete adherence to the highest safety and hygiene standards, without compromising in any way the well-being of our customers, employees, associates, and all stakeholders.

Despite substantial drop in profitability for the year, your Board has agreed to retain the dividend rate at the FY20 level (₹ 4 per share) resulting in a higher pay-out ratio.

The challenge we faced at the start of the year was of generating demand and desire on one hand and ensuring prompt delivery through innovative channels on the other, keeping in mind the unique requirement of the times. Rising to the task, our team across divisions rolled out several initiatives, which included adopting gold-standard safety protocols and combining our digital knowledge with our physical connect to enable customers to buy products of their choice through the channel of their preference. This agility enabled our various divisions to bounce back faster post the unlocking of the economy.

With the second wave of the pandemic hitting India and lockdowns being repeated across states, FY22 will be another challenging year, or at least till the vaccination drive reaches a fair level of coverage in the country. In such times, we will continue to exercise prudence in managing our expenses. Our war-on-waste programme has enabled us to identify sustainable savings, making us a leaner and fitter organisation. Moreover, the management of cash and the balance sheet have become well institutionalised processes in the Company, and this should hold us in good stead to overcome tough periods. Finally, our business segments have emerged stronger with the learnings and experience of the past year. Armed with this arsenal of knowledge, along with our strengths of fantastic brand portfolio, dedicated people and strong customer relationships, we are better prepared and positioned to navigate future challenges.

Being Good is Good for Business.

I take this opportunity to thank the Board for their continued support and stewardship, all our employees for their unwavering commitment and team spirit and all our partners, vendors, suppliers and other stakeholders for reposing their faith and contributing towards making Titan not just a world-class competitive and contemporary company, but also a humane, caring and fair family that we are proud to be part of.

C K Venkataraman
Managing Director

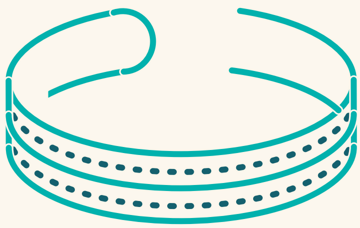
ARTISANS

For Titan, **artisans** have always been an integral part of the Titan family. This year, the safety and security of artisans working at different locations across the country received top-priority.

Santu Ghosh

Santu Ghosh, one of our master craftsmen, was working at Thrissur, far away from his family in the midst of the pandemic. Today, he and his family members are grateful for the initiatives and measures taken by Titan and the vendor partner, to safeguard him and provide a sanitised work environment in the midst of challenging conditions.

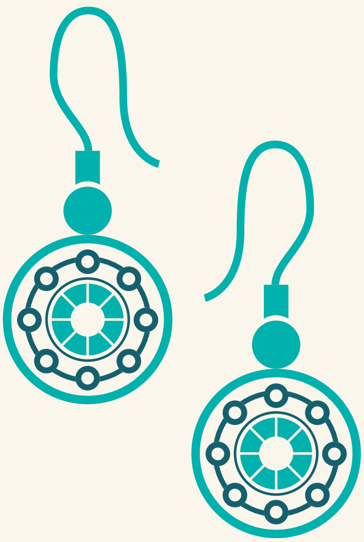
"I am proud to say that Titan Company officials have taken complete care of us throughout the pandemic... these are tough times but when we have such great management - we DO NOT WORRY."



Joseph Thomas is pleased with the support and financial assistance he received from Titan during the crisis. As a vendor partner, he employs many karigars at his St. Antony Jewel Works unit at Thrissur and is seeing a drop in the artisan attrition rate and an improvement in their skill set.

Joseph Thomas

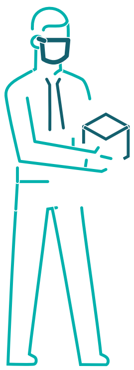
"We utilised our time to deliberate, create and innovate lightweight product collection - Alchemy 2.0 during the lockdown… this crisis has helped build a bond with many stakeholders due to which we are going to reap benefits in the future."



REACHING OUT TO THE CUSTOMER THROUGH LATEST TECHNOLOGY

Extraordinary Technology, Extraordinary Connect

Titan has always been at the forefront of leveraging cutting-edge technology to thrill and delight its discerning customers. Digital innovations and technology adoptions continue to deepen this unique brand connect by delivering an enhanced consumption experience across all product categories.



Our frontline sales staff of 15,000 across our exclusive brand outlets (EBOs) reached out to the customers and built relationships to drive footfalls and significant conversions at our stores.

Physical meets Digital

With the pandemic continuing to prevail during the last year, Titan continued to invest in innovative digital initiatives and alternative distribution channels to circumvent the challenges posed in a traditional physical purchasing environment.

Our websites were revamped to offer superior design, functionality and content. Tanishq and Titan EyePlus websites added augmented reality feature for virtual try-on of select products. The redesigned websites have helped to generate customer leads that were serviced by nearby stores. Alliance with leading online marketplaces like Amazon, Myntra and Flipkart were also strengthened.

This year, tradition was successfully blended with modernity, through our focus on the 'phygital' - a combination which is emerging as a significant brand differentiator for us. Hundreds of thousands of deep personal customer relationships nurtured by the Company over many years were combined with incisive consumer data and trends captured across multiple digital touchpoints to offer customers personalised products and attractive propositions. Our investments in customer relationship management (CRM) tools, the Encircle Program – Titan loyalty program with a strength of 18 million customers, and data analytic tools is helping us to identify and engage with customers with a high propensity to buy.

The resilience and expertise of our employees came to the forefront once things started normalising and lockdown restrictions were removed. Our frontline sales staff of 15,000 across our exclusive brand outlets (EBOs) reached out to the customers and built relationships, to drive footfalls and significant conversions at our stores.

Omni-channel marketing

With the trend of online shopping accelerating, the best of video selling, virtual reality (VR) and augmented reality (AR) were adopted and aggressively rolled out to offer our customers a seamless shopping experience.

Tanishq customers continue to respond favourably to digital with remote shopping endless aisle wherein customers have access to large touchscreens to browse the entire collection, and video-calling registering significant traction.

CaratLane launched try-at-home option to offer jewellery customers the tactile experience of store shopping. The brand also introduced CaratLane Live, which enabled customers to do video chats with jewellery consultants and get a real-time view of jewellery designs.

Similarly, in our Watches division, to help bring our customers to the store or take our products to them, endless-aisle, live chats, video calling, calling up customers, appointment booking, lead generation on the website, and ship-from-store were undertaken. Our goal was to ensure that options were provided to every customer according to their needs and comfort. The e-commerce channel continued to have higher salience, with all other channels also making good progress. Omni-channel capability has been scaled up to 80% of World of Titan and Fastrack stores.

Our Eyewear division is also aligning itself with emerging shopping trends. Retail outlets, multi-brand showrooms and departmental kiosks are being successfully paired with www.titaneyeplus.com, our e-commerce website which is now a significant focal point of sales origination.

Taneira's try-at-home offering, combined with video-calling has taken the beauty and range of the retail store inside the home of the customer, offering her complete safety and unprecedented ease of shopping. The omni-aisle gives her a choice that was never available before.

Our fragrances and accessories are also leveraging e-commerce channels to increase brand awareness and reach.

Deeper connections with digital campaigns

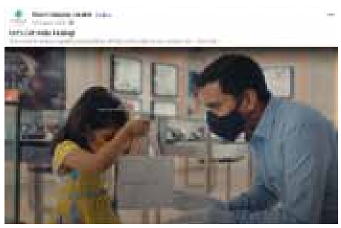
We are pairing product innovation with innovative digital marketing to strengthen our brand connect.

Keeping pace with changing times, Tanishq maintained its focus on driving customer engagement through the digital platform. Along with in-store promotions, 'Rivaah Ashirwaad' - a new initiative to help customers plan their wedding jewellery purchase in a structured manner was launched. A digital film to promote Tanishq's exclusive range of engagement rings and the virtual launch of new collections were among the other major digital engagement initiatives undertaken.

The Watches division launched Gift-a-Titan Smile campaign to encourage people to gift watches to their loved ones and mark milestones like birthdays and anniversaries that may have been missed due to the lockdown and other pandemic-related travel restrictions. Sonata launched 'Sonata - India Ka Favourite', a digital campaign cementing its position as India's most loved watch brand.

Titan launched the #LetsgetIndia ticking campaign on social media platforms and other media channels, with the larger purpose to revive livelihoods and set the wheels of the economy in motion. Nudging people to get consuming and spend more, the campaign was very well-received and helped to build positivity and uplift customer sentiments.

Please scan the QR code to watch the video



STORE STAFF

Titan continues to impress clients with its customer-centric innovations and its superior service standards. Despite challenging conditions, the warmth and professionalism of the **store staff** is exemplary.

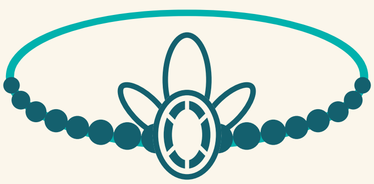
Visiting the Titan EyePlus store at Yelahanka New Town, to get her eye glasses repaired in the midst of the pandemic, Mrs. Shriya Shrivastava was very impressed with quality of care and attention she received.

"This was, by far, the BEST customer service I have received, and am pleasantly surprised that it was not conducted with the intent of charging the customer. I am very, very grateful, and I convey my best to the Titan EyePlus team for hiring and training an excellent set of associates, with very high work ethic."

Linet Shoby

For Biswajit Saha, a Doctor by profession who has been regularly purchasing jewellery from Tanishq stores in Kolkata over the last 5 years, it is the personal bond he has forged with Linet Shoby, an empathetic customer service associate that keeps him coming back for more.

"For each and every transaction I always take Linet mam's opinion. She is always calm and polite. Even today we landed up purchasing some beautiful jewellery, as she helped facilitate the transaction despite my being unable to visit the store in person."



GREAT WORKPLACE

Extraordinary People, Extraordinary Company

Over the years, we have built up a reputation as one of the most-sought after places to work. Admired for its meritocratic culture, diverse and inclusive work ethos and structured growth trajectory, at heart we remain a humane and caring organisation.

7,235
Titanians

As of 31st March 2021, we had 7,235 employees on roll. Of the total workforce, 3,036 employees were engaged in manufacturing, 3,213 in retail and 986 employees in corporate and support functions.

Employee Safety

With the pandemic conditions prevailing, we continued to accord utmost priority to the health and safety of our employees and their families, guided by our tenet of Unconditional Positive Regard for People. Be it the opening up of retail stores and outlets or the resumption of corporate offices and workplaces, utmost care was taken to ensure that all pandemic protocols were strictly adhered to. Driven by our firm belief in putting people over business, team leaders and managers led by example and ensured that all social distancing and hygiene norms were followed by them individually and by all their team members. Special care was taken by empowered employees to

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ensure the complete safety and well-being of all customers visiting stores.

Employee Development

Cognisant of the inevitable trend toward digitisation of products and services, over the years we have been incrementally investing in the latest technologies and processes. With the pandemic accelerating the adoption and usage of digital technology, last year we stepped up our commitment of going digital. Our long-term goal is to create an environment which leverages cutting-edge digital and social media to attract, convert, engage and retain customers across all product categories. Employees are now being trained and encouraged to learn new skill sets which boost their digital quotient, through the rollout of courses and certifications encompassing online marketing, phygital selling and virtual customer connect. To encourage non-retail and manufacturing employees, self-paced and bite-sized learning programs have been launched on digital platforms, which gives them the confidence to gradually move towards full adoption of digital technology.

Employee Connect & Employee Wellness

The focus on employee safety and wellness continued to be the primary focus area for the Human Resources (HR) team this year. There were regular reach-outs and communication to all employees, especially those on the shop-floor and factory-floor to ensure that they remained in the best of health and spirit. A holistic wellness program, Will It, Well It covering all aspects of wellness-physical, mental and financial was launched last year and was very well received with large number of employees across the organisation signing up for it.

With the pandemic accelerating the adoption and usage of digital technology, last year we stepped up our commitment of going digital.

EMPLOYEES

Titan **employees** are the Company's biggest strength. With their dedication, drive and work-ethic, they are transforming obstacles into winning solutions and themselves into true Titan brand ambassadors.

Kapil Kashyap

Kapil Kashyap working at Tanishq Gold Souk at Noida's GIP Mall, went the extra mile to ensure that customer Cherry Kaul who was apprehensive of visiting the outlet for her Golden Harvest redemption feels reassured, by arranging for safe transportation for her.

"The customer was hesitant to visit the store using public transport due to safety risks. We suggested safe pick-up in our vehicle. She was totally thrilled by the experience and said: you guys have all the solutions, for any customer problems."

Moni Shanker Sengupta, Regional Business Manager, Taneira North & East and Santosh, Store Manager refused to let the pandemic-induced business slowdown get them down. They hit the ground running with a well-laid out plan, motivating their team to go out and connect with customers through trunk exhibition events.

Moni Shanker Sengupta

Santosh

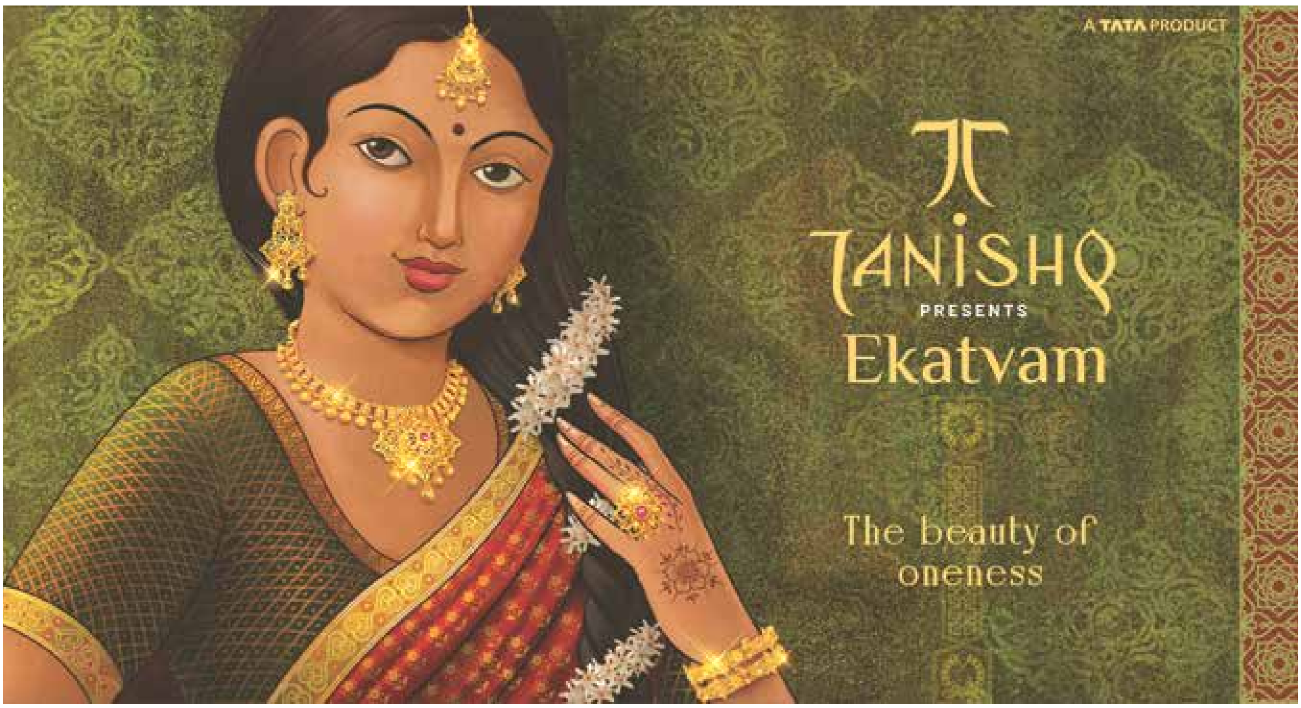
"We made the Chandigarh trunk show a grand success. There was no looking back with our team blazing to go… our super enthusiastic team did 25 trunks in 5 months."

EYE ON THE FUTURE

Extraordinary Products, Extraordinary Future

Tanishq jewellery is admired and chosen for its exquisite designs, aspirational values and trust factor. Futuristic and intensely desirable, Titan's Watches and Eyewear brands continue to be consumer favourites, riding the trend of a hyper-connected and design-conscious young society. Meanwhile, Taneira, our Indian dress wear brand, is also gaining in popularity for its natural and authentic offerings.

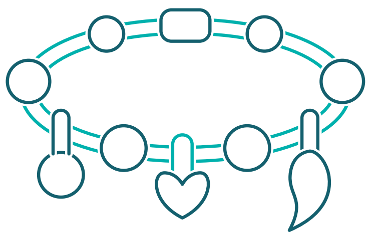
The major new launches by Tanishq included 'Ekatvam', a confluence of various art forms from around the country, to express and celebrate the thought of oneness, a key essence of humanity particularly important in these challenging times.



Endearing designs, everlasting appeal

The major new launches by Tanishq included 'Ekatvam', a confluence of various art forms from around the country, to express and celebrate the thought of oneness, a key essence of humanity particularly important in these challenging times. 'Moods of the Earth' was another novel collection designed for fashion-forward women who love to appreciate the beauty of nature. Brand Mia by Tanishq was also revitalised, and the product portfolio was enhanced to serve the customer need of light weight daily wear jewellery for various occasions.

Customers are increasingly showing their loyalty towards brands that embrace ethical and responsible business practices. Committed to being a socially responsible brand, Tanishq further strengthened its sustainable procurement processes. The Jewellery division has been using recycled gold significantly, that comes from customers through the gold exchange programme. 100% gold from banks is sourced with London Bullion Market Association (LBMA), a rigorous international standard for gold bullion. The Jewellery Division also introduced a new Tanishq Supplier Engagement Protocol (TSEP) for strengthening the responsible sourcing process for diamonds.

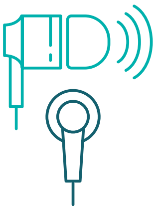


100% of the fresh gold is now being sourced with LBMA certification, a rigorous international standard for gold bullion

Future Edge

Our Watches business continues to roll out superior products, backed by a service network of 662 watch care centres across 241 towns.

The category of technology-enabled fitness and health products is growing exponentially as more and more consumers migrate to smart watches and wearables with activity trackers, to help them navigate today's hyper-connected world. Titan launched three offerings to supplement its growing product portfolio of smart watches:



The division also made an entry into the new category of audio accessories by launching Over The Head (OTH) headphones and Truly Wireless (TWS) earphones.

TraQ for the outdoor sportsperson, Titan Connected X, a full touch smart watch and Titan Pay, a unique watch enabling contactless payments.

Luxury mechanical watches are a segment with immense future potential. Marking our foray into this exclusive world, we launched Edge Mechanical, the slimmest mechanised watch from Titan, with a 2.2 mm in-house hand-wound movement.

Fastrack launched the next generation of its popular band, Reflex 3.0, taking forward the brand's journey towards 'Fashtech' – the intersection of fashion and technology in an increasingly digital world. Fastrack's new fashion collections, launched in the middle of the year, continue to be favourites with the youth. The "Sonata- India Ka Favourite" resonates with many customers across the country looking for affordable price points.

The division also made an entry into the new category of audio accessories by launching Over The Head (OTH) headphones and Truly Wireless (TWS) earphones. The use of these products is being fuelled by rising consumer inclination for enhanced audio experience and the increase in internet penetration and mobile technology. Boosting our portfolio of smart wearables, our OTH headphones and TWS earphones will enable us to cater to the growing demand for these products.

With an increased focus on health and fitness, the Wearables category continues to grow handsomely. The Company significantly increased its capability for this domain through the acquisition of HUG Innovations in Financial Year 2019-20, while simultaneously improving its product and app design capabilities as well.

New designs, newer innovation

Eyewear is a future engine of growth. The multiple initiatives and measures instituted by us to galvanise this business by FY23, are falling in place with a steady improvement in performance and greater product resonance with the customer.

With the pandemic, masks have become an integral part of every human face today. However, this has led spectacle users to endure fogging of lenses, every time they put on masks. Stepping up to meet evolving needs, the Eyewear division launched anti-fog lenses to minimise fogging and provide a clear and comfortable vision.

In lens, ‘Neo Progressives’ collection, powered by 9 advanced innovative technologies, was launched to provide customers with lenses that can help their eyes adapt to the increased exposure to digital devices. To address the eye strain problem resulting from increased screen time, spectacles with anti-reflective and blue-light filter were also launched under Dash and Fastrack brands for kids and adults, respectively.

Titan Eyeplus supplemented its product portfolio with Indifit, which offers spectacle frames customised for the Indian face driven by its core philosophy of customer-centric innovation. Further building on its stylish product offerings, Glam series of frames for women were also launched under the Titan brand. Titan’s Signature collection remains popular.

We launched the first Fastrack branded eyewear store, thereby increasing our customer touchpoints and brand accessibility. Staying as innovative as ever, Fastrack introduced smart audio sunglasses with built-in music speakers for youth who like their music on-the-go. Additionally, trendy new collections were launched by the brand, taking forward the Fastrack design language.

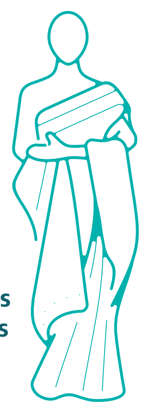
We have entered into a knowledge-sharing partnership with renowned ophthalmic specialists Sankara Nethralaya for the training of our store staff and optometrists. Titan EyePlus outlets now offer zero-error testing, remote eye testing and vision checks online.

The Eyewear division’s Net Promoter Score, a proxy for gauging a customer’s overall satisfaction, saw further increase from its current good levels. The division also won the prestigious RED DOT award for the Signature frames collection. These achievements stand as testament to our commitment towards bringing the best of products and services to our customers.

Novel wear in natural fibres

With customers becoming increasingly conscious of our planet’s vulnerabilities, the demand for earth-friendly products is on the rise. Our brand Taneira is redefining Indian dress wear with its offerings developed in pure and natural fibres. The brand also strikes a deep chord with the progressive Indian woman seeking handcrafted clothing in exclusive designs. During the year, Taneira launched ‘Parichay: Song of the Forest’ collection that uses natural and sustainable fabrics birthing from the idea of circular fashion. Other notable launches include the ‘Heritage collection’, an exquisite range of bridal and wedding sarees with a reflection of vintage charm.

Our brand Taneira is redefining Indian dress wear with its offerings developed in pure and natural fibres



SUPPLIERS AND VENDORS

Since inception, Titan has nurtured deep and resilient partnerships with its **suppliers and vendors**, helping create a mutually beneficial ecosystem of support, knowledge-sharing and long-term growth.

The Suppliers of the Company are very grateful for the support they received during the COVID-19 crisis. Senior Titan managers promptly reached out to vendors with COVID-19 preventive measures and with Titan's plan to manage the lockdown closure. WhatsApp groups were created along with email communication and virtual meetings, to lay out processes and guidelines for supporting vendor partners.

"Titan closely worked with the vendor partners holistically to ensure the safety of their employees and also business sustenance. Titan's multipronged approach of connect & communicate, safety & well-being, financial support and restart support, was instrumental in helping us ride out the crisis."

Jayarani is a mother, a passionate professional, and someone who sets an example with her dedication to work. As a member of the housekeeping staff, she very well knew how crucial her job is in ensuring the safety of others. She refused to succumb to fear even when the pandemic was on the rise, and contributed in every little way to the fight against COVID-19.

She finds happiness in her work and we find strength in our workforce that constitutes gems like her.

#LifeAtTitan

WE ARE OPEN

Jayarani

GROWING RESPONSIBLY

Climate Change and Sustainability at Titan

Growing responsibly and deeply engaging with the community are values deeply enshrined in Titan's mission statement and corporate heritage.

Titan has taken several important steps to embed sustainability in its operations, with specific focus on energy and water to positively impact environment, society and other stakeholders. Multiple efforts across divisions are being made to ensure maximisation of efforts towards optimising resource usage at Titan.

The Company continues to engage and invest in initiatives towards carbon footprint reduction. The Jewellery division has embarked on a carbon neutral mission by the year 2023. Many other initiatives are driven by other divisions locally to reduce carbon footprint. Jewellery division is setting up a 2MW plant at Hosur and solar rooftop plant at Pantnagar towards achieving carbon neutral status by 2023. Some of these are covered under the Business Responsibility Report section. A few salient features include the following: Raising awareness on climate change and encouraging the adoption of processes and practices that promote sustainability, is a priority for Titan. The Company is constantly engineering innovative solutions and mitigation mechanisms to conserve the environment.

The Company, during the year instituted environmentally sustainable processes for raw material acquisition, vendor management, manufacturing and recycling. Environmental management systems are being setup at factories with facilities acquiring ISO 14001 certification.

Renewables remain a priority for the Company. Solar plants were installed at factories and retail stores to emulate the success of wind energy initiatives. The Company continues to invest in renewable energy initiatives across its manufacturing locations.

Energy conservation

Renewables constitute 60% of total energy at manufacturing plants

Water conservation

87% water used at manufacturing is recycled water

Recycling

54% of gold and 47% of brass used in production is from recycled sources

Energy and fuel conservation initiative at watches ISCM

Responsible neighbour:

The Company has over a period of time taken up many lakes or water bodies in its vicinity of its manufacturing locations at Hosur/Pantnagar and rejuvenating them making sure a few water ponds are restored to enable water conservation. This is in addition to the major initiatives in this area. The biggest initiative has been rainwater harvesting across all plant locations.

Prominent in this space was the large dry water body near the corporate office that was taken up for rejuvenation and restoration. From being a parched land mass, this water body has been revived and has truly transformed the landscape around the Company's corporate office, and this water body by virtue of its construct, it is expected to restore the ecological balance in this region.

Veerasandra Lake

Green premises:

With several initiatives driven across predominantly in the manufacturing locations,and many of them going on to win accolades (CII Environment best practice, and Greentech Environment Award – Watches division Gold recognition for Eyewear plant by IGMC are two most recent examples), the corporate office, Integrity was not to be left behind. With state of the art technology and facilities, and smartly developed building management practices, our corporate office Integrity is a Platinum-rated LEED certified building. LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world. It also has been conferred with five star Griha rating by Ministry of New and Renewable Energy. This speaks volumes of our engagement in this space.

Corporate Office Campus

Creating Value towards the Community

Titan continues to work in sectors that are either unorganised or characterised by sub-standard business practices and ethics. Whether it is in watches, jewellery, and eyewear or in the new businesses such as sarees, the Company strives to work in these sectors to create sustainable models that transform business practices into those of organised sectors. These are characterised by value-based practices across the entire value chain reflecting in the manner in which the products are procured, produced and sold.

Corporate social responsibility

At Titan Company, the Corporate Sustainability function is vested with the responsibility of driving CSR activities. The CSR philosophy of the Company is derived from the Company's vision statement stated below:

The CSR policy of the Company focusses on Education, especially the education of the underprivileged Girl Child, Skill Development for the Underprivileged and support for Arts, Crafts and Indian Heritage.

While most programmes have a large focus on the Girl Child, the Company also makes all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with Disabilities.

Being a pan-India organisation, the Company continues to support local causes that are important to the communities with which it operates, including issues that are of national importance. The Company also pursues design impact programmes, which seeks to engage the youth towards applying design thinking for social impact.

Education / Girl Child Programme:

This programme focusses on remedial education both within the Government school system and in learning centres. We have been able to put this programme back on track through effective use of technology. The programme currently has reached over 16,000 children across Tamil Nadu, Uttarakhand and West Bengal. The science education programme has also been effectively implemented through technology and has reached to most of the locations where our girl child programme is in place in TN. We have initiated the engagement at Tiruvannamalai, Tamil Nadu and will be moving out of Krishnagiri, Tamil Nadu after a successful engagement.

We have also completed teacher training programme and certified more than 325 teachers during the year.

Many elements of the Kanya Sampurna programme in Yadgir and Kattumannarkoil have been implemented. Be it the school readiness program, creation of model anganwadis, Early Grade Reading for teachers, adolescent education, creation of community libraries and also livelihood-based engagement, all of them have shown signs of progress during the difficult times.

Our focus on Affirmative Action through tribal school education continues. This year in Karnataka, our high school children pass percentage has been significantly higher than the state average. The biggest milestone in our Affirmative Action has been the formal signing of an MoU with the Government of TN for adopting all tribal ITI's for long-term holistic development.

The longest programme in terms of tenure has been the Titan Scholarship Program which has been taken into its 33rd year of implementation and we have given 116 new scholarships this year.

Skill Development for Underprivileged

The Titan Skill Development intervention (Titan LeAP - Learn Apply and Progress) focusses on: a) Skilling for employment - in its skill centre and spokes at Chennai and other locations; b) Skilling for employability across Government ITIs in Tamil Nadu and Tier 3/Tier 4 Engineering colleges in TN; and c) Entrepreneurship development. During the year, we successfully leveraged technology for reaching out to the candidates, both at our LeAP centre, spokes and also the engineering colleges. In addition to this, we have also covered Government ITI students and the programme has now been put back on track. Across all formats of employment, employability and entrepreneurship development, we have been able to see substantial progress during the year.

We have also been able to see encouraging progress in our skilling and placement of Persons with Disabilities. Around 344 persons with disabilities were skilled and placed during the year.

Design Impact Program:

The Company's support to the grantees of the design impact program continues into its penultimate year. Progress in most cases are on track, barring slowdown due to COVID-19 in a few areas. We hope to put all of them on track in the coming year. The year also saw the launch of a new program Design Impact Movement, a platform that has been created to engage the youth towards designing for social needs. The coming year will see its full implementation.

Support to Indian arts, crafts and heritage

Our programs in Benares and Karnataka pertaining to arts and crafts are progressing, though slowly. The communities have been engaged through design inputs, market linkages in some cases and also through skilling. A highlight during the year has also been piloting a platform for bringing the artisan community and buyer community together directly. The pilot has shown some encouraging results.

Responsible Citizenship

Our integrated village development and water and sanitation programmes in Uttarakhand has progressed well. We have completed and handed over 8 water schemes to the community. The IVD programme has come to a completion during the year and has exceeded all its targets. The watershed programme with NABARD covering 5,000 hectares in Cuddalore is well on its way towards meeting its desired objectives.

Though the Eyecare programme could not be launched fully, we were able to support opening of two vision care centres and also make effective use of the Mobile Rural Vision Screening Program for a few camps.

Employee engagement continue to be encouraging through our volunteering programme, largely through online volunteering, for both, our projects as well as programmes across the Tata Group companies.

COVID-19 Relief

What started off as a basic support, grew into a full-fledged engagement throughout the year. The Company not only earmarked funds from CSR, but also proactively engaged with the community in many of its manufacturing and office locations and extended support towards COVID-19 relief. We have reached out to 3.2 lakh beneficiaries through our COVID-19 support through a multi-layered response. In addition to this, Mission Gaurav, which is a programme addressing challenges of the guest workers in four states is ongoing and will be reaching out to over 33.3 lakh individuals.

A few examples of our areas of support are given below:

Ring fencing our existing programme beneficiaries by supporting their communities.

Kanya families / communities in Uttarakhand and West Bengal - Dry ration kits for survival provided to few families, reconstruction of a few learning centres that were damaged in Amphan Cyclone I – Approximately 1,300 families with 6,500 members supported.

Nutrition Support for High Risk Pregnant Women, 1,280 dry ration kits for the most vulnerable families, masks and PPEs for frontline workers and adolescent girls (5,000 + individuals), setting up of a special mechanism to address gender-based violence arising out of COVID-19 in the community in the Kanya Sampurna programme.

Motivate 1,000 parents into teaching their pre-school children at home.

Augmenting Health Care

Supporting setting up of a 200-bed COVID Care Centre at Bengaluru, and a 48-bed isolation ward in a hospital, besides numerous one-time support through medical equipment, testing equipment, PPEs, etc.

Livelihood Support

A novel project has been put in place in Bengaluru to offer support to 450 vyaparis to get back on their feet and create sustainable livelihood for themselves and their families.

Mission Gaurav is focussed on supporting migrant workers in four states – Jharkhand, Chhattisgarh, Odisha and Rajasthan which would cover individual beneficiaries over a 6-9 month period.

A tie-up is being planned for a long-term engagement of our ongoing Integrated Village Development Programme which would cover 65 villages in Tehri District, Uttarakhand over this year and the next year.

Supporting Education

Suppport to over 350 students through tabs for digital outreach in education.

The Company fosters and maintains a strong relationship with all its stakeholders through transparent and effective communication mechanisms and also strives to maintain the established credibility and relationship nurtured over a period of time.

The Company's stakeholders comprise of those persons, groups and organisations that are directly or indirectly impacted by its products, services and activities associated with it. Over a period of three decades, the Company has built strong relationships with different stakeholder groups and a structured system of engagement exists to ensure effective communication of accurate and relevant information to, and engage with, each stakeholder group in a consistent manner. The Company has categorised its key stakeholders as follows:

Stakeholders

People
- Employees including employee unions
- Community

Operations
- Customers
- Vendors, Third-Party Contractors, Suppliers & Associates
- Government and Regulatory Bodies
- Business Associates, Dealers
- Collaborators

Corporate
- Promoters
- Shareholders and Investors
- Bankers
- JV Partners
- Consultants

The Company takes overall responsibility for ensuring a stakeholder inclusive governance approach. It works towards maintaining a robust system of communication with the identified stakeholder groups.

A wide range of regular and structured engagements take place at various levels in the Company. Through extensive engagement, the Company manages to respond to material issues raised by stakeholders, as appropriate, in the ordinary course of business.

Approach to Reporting

A radical change in Reporting

Titan Company Limited started publishing its Integrated Reporting three years back thereby displaying its commitment to uphold highest standards of transparency in communication and ethos of Corporate Governance.

This is our 4th year of Integrated Reporting to voluntarily disclose additional information to our stakeholders on all aspects of our business covering developments and improvements on non-financial objectives that have been achieved over the past years.

The Integrated Report highlights the organisation's perspectives and performance across identified material topics such as Manufacturing, Financial, Human, Intellectual, Social & Relationship and Natural Capitals to all stakeholders that provide a glimpse into the longer term value creation and sustainability of the Company. These include the key initiatives that were taken during the course of the year that would have significant bearing in impacting the output metrics of these capitals. This Report has been prepared in accordance with IIRC's Integrated Reporting framework <IR>.

Other <IR> content elements like our engagement with key stakeholders, risks, governance, CSR and environmental initiatives are further explained in the statutory section of the Annual Report under topics like Management Discussion and Analysis (MDA) and Board's Report as well as Business Responsibility Report

Performance highlights in each of the capitals are captured under various sections as highlighted below:

Intellectual Capital
pg 44

Human Capital
pg 46

Financial Capital
pg 47

Social and Relationship Capital
pg 48

Manufactured Capital
pg 49

Natural Capital
pg 50

The scope of this Integrated Reporting is limited to Titan Company Limited as a standalone entity.

Listed below are some of the stakeholder engagement mechanisms the Company has consistently undertaken and improved over the years

Employees

Employee Connect, Engagement & Development

The Company continues to use various engagement and connect forums like Tell Me, Heartbeat survey, cascades and other innovative ways to connect and engage with employees, as well as develop them. During the pandemic year, emphasis was on safety norms and measures, working protocols, employee rostering etc. Employee development has been through internal facilitators from businesses with the deployment of online platforms like Titan U and Coursera promoting self-paced learning. The work-from-home situation brought in opportunities to rethink and redefine the ways of connecting with employees spread across the country. Examples of innovative programmes covering physical, financial and emotional wellness include: Virtual Talent showcases, 1X1 connect sessions with leadership teams, employee health and wellness sessions, online yoga by certified instructors, one-to-one financial planning services and counselling services.

Customers
Customer Satisfaction

The Company continues to deploy a wide variety of mechanisms to engage with customers across geographies, demographics and segments. Traditional engagement channels like surveys and research, as well as digital media are extensively used to understand the customer needs and expectations, which in turn are used for developing and deploying specific initiatives to elevate their experiences. The Net Promoter Score (NPS) is an important metric used to understand customer satisfaction. Connecting with customers through Smile App, a dedicated portal to connect with MBO customers, leveraging live chat and creation of WhatsApp teams are some of the interventions. To enable these and many such innovations, the Digital team rolled out multiple technology innovations, enhancements and continuous improvements, including numerous information security measures and processes to enhance customer data privacy.

The Encircle loyalty program, which has grown into one of the largest in the retail sector is leveraged to further enhance relationships with customers as well as engage with them on the Company's product and service offerings to drive sales across categories as well as repeat sales. Further, the Unified Customer Service program has helped the Company to connect with customers through various channels, including the digital medium and serve their needs and expectations in a dynamic manner.

Vendors, Contractors and Suppliers
Partnering for Progress

The Company works closely with its vendors, suppliers and other service providers who have been playing an important role ranging from procurement to manufacturing and from branding to logistics. Regular vendor meets, workshops and conferences enable the Company to build and enhance the engagement towards collective realisation of ambition as well as resolve key issues towards ease of doing business, maintaining quality, enhancing capabilities, etc. Across businesses, the Company works closely with the supply chain associates to ensure that all activities carried out by such associates resonates with the Company's and Tata's ethos. Examples include transformation of the jewellery industry in the country, by enhancing the quality of life of the karigars working with the Company, development of women Self-Help Groups at Hosur for over 25 years now, in providing livelihood opportunities by providing them with outsourced activities.

Business Associates
Enabling Customer Reach

The Company works with a wide network of business associates including franchisees, management agents etc. They play a key role in connecting the Company to end consumers apart from delivering products and services. Due to the pandemic, the Company engaged with its business associates virtually during the most part of the year apart from possible face-to-face meetings. The Company has also done quarterly meets with the Franchisee Council to understand the ground reality much better and address their issues. They are also part of our new Digital Journey (Omni, Lead Generation and Endless Aisle). The business associates' feedback is taken into consideration and where necessary, incorporated by various teams to further increase product and value propositions to customers as well as business associates. Business Associates are treated as partners in Business. They are part and parcel of co-creating the Company's growth ambitions and setting targets.

CSR Partners and NGOs
Partnering to serve society

The Company continues to play the role of a responsible corporate citizen with a firm belief in making a difference to the lives of people in the communities it engages with. The Company engages with communities through direct CSR interventions as well as through various NGOs and governmental agencies to deploy several programmes aimed at different sections of society. Through a bi-annual associate meet, the Company interacts with the NGOs it works with, to co-create programmes that add immense value to the community. It reaches out to the community not only in the location of its operations but across the country, and co-creates programmes and solutions that are in the larger interest of the community and society.

Government Bodies and Industry Associations

The Company engages with various Government departments and regulatory bodies from time to time to respond to compliance aspects, address issues and concerns on behalf of the industry such as ease of doing business, industry regulations through forums like Indian Horological Federation, World Gold Council, CII, etc. thereby playing a proactive role in ensuring that the views of the industry are heard by the Government and also to align with Government's views.

Materiality Approach

Materiality assessment is an exercise to ascertain material issues; an issue is material if it substantively impacts the organisation's ability to create value in the short, medium or long term. A clear understanding of materiality aspects promotes better alignment between business strategy, performance management and reporting.

Materiality Determination

The process of determining materiality is entity-specific and based on industry and other factors, as well as multi-stakeholder perspectives. Material matters improve internal and external decision-making by limiting extraneous information and focussing disclosures on the core issues managed by the organisation.

The Company conducted materiality analysis across stakeholder groups through a third-party study as per integrated reporting framework materiality assessment process. The purpose of the analysis was to identify topics that have a direct or indirect impact on the Company's ability to create, preserve or erode economic, environmental and social value, not only for the Company, but also for its stakeholders and the society at large. The analysis revealed what the internal and external stakeholders consider to be the most material and relevant aspects. The analysis resulted in six material topics which were formalised and implemented in the management's approach.

The material issues were identified by mapping stakeholder views and business priorities. These material issues were then shortlisted and clustered. Defining these topics was an important exercise which was conducted with the Company's working group of representatives from different departments and fields of expertise.

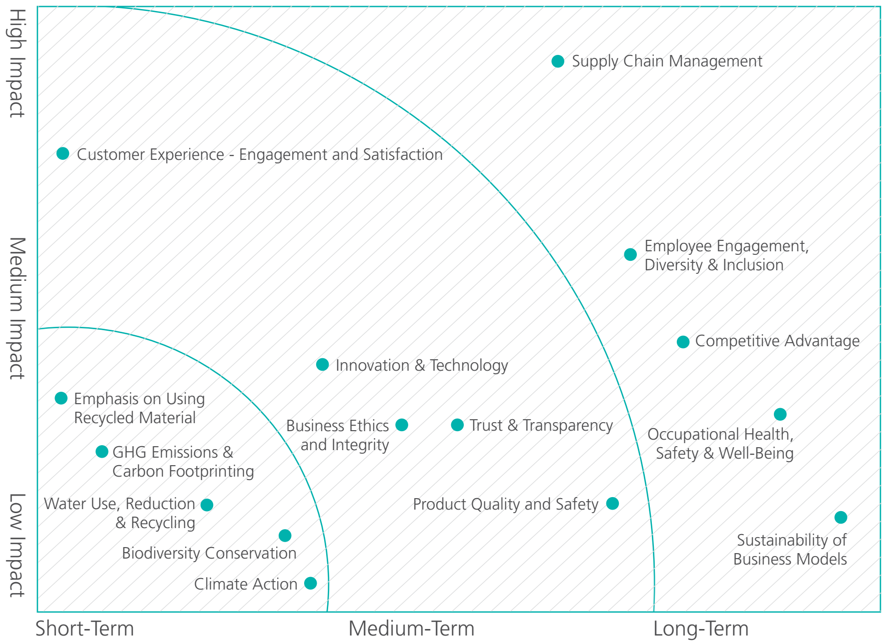
After receiving the inputs from the stakeholders, the Company analysed its responses and requested the senior management to prioritise the material topics. The Company also validated the outcomes of the survey through discussions about the relevance and completeness of the material topics.

Materiality Aspects

The identified material issues have been largely addressed in this report. Moreover, in keeping with the developments in the external environment and changing stakeholder expectations, the following have been identified as additional areas which are material to the Company. The prioritised material aspects are:

1. Customer Experience;
2. Product Manufacturing, Quality and Safety;
3. Competitive Advantage;
4. Product Innovation and Technology;
5. Supply Chain Management;
6. Employee Connect, Engagement & Development; and
7. Occupational Health, Safety and Well-Being.

Materiality Matrix



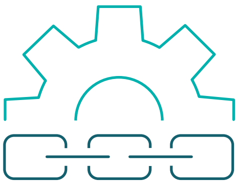
Customer Experience

In line with Company's vision, one of the key ingrained values is to provide Elevating Customer Experience and hence the Company pays heed to the customer voice, their needs and expectations through several modes. In this regard, several programmes to engage and nurture relationships have been deployed across businesses to earn their trust and loyalty. Some of the examples are - Enhancing the Net Promotor Score Program to win back detractor customers, reaching out to customers through "Google My Business" mechanism, continued Make Hearts Beat, SMILE programmes which have been customised across divisions to improve customer experience.

The pandemic year threw several challenges and opportunities and hence some new capabilities were developed and implemented, specifically leveraging the digital medium such as live chat and WhatsApp teams for continued engagement with customers. Digital concerts, gamification campaigns focussing on festivals, occasions and events, creation of new websites, Stay Safe Stay Home campaign as well as tie-up with multiple partners for offers on medicines, e-learning, e-fitness, etc. were successfully rolled out. The DigITal team has also delivered multiple technology innovations and enhancements with continuous improvements in all areas. The analytics function has done a deep dive analysis which resulted in several insights being provided to businesses which in turn led to many success stories. Some of the successes include ₹ 2,500 crore revenue delivered through Encircle campaigns and CRM lead calling, leveraging cutting edge ML-based propensity models, ₹ 17 crore cost savings from merchandising automation projects.

Encircle, our loyalty program, continues to grow and is now one of India's largest loyalty programmes in the retail space. The Encircle GV which enables customers to purchase products of any brand across the Company was also rolled out.

Supply Chain Management and Responsible Sourcing



With integrated supply chain as a strategic advantage to balance between making in-house and outsourcing, the Company is able to ensure the reach of its products across markets efficiently and in a timely manner at optimum cost. The primary focus has always been to build a sustainable and agile integrated supply chain ecosystem in India. The Company treats vendors, sub-contractors, etc. as strategic partners in its supply chain. The Company ensures responsible business, replenishment / analytics-based planning, stock supply visibility with all its key vendors. Aligned planning and distribution strategies, increased despatch frequencies to stores, particularly during pandemic time, effective use of different modes of transport and optimal inventory mix have delivered efficiencies while enabling the Company to move towards supply chain sustainability.

All divisions of the Company have robust vendor assessment, selection, vendor management and periodic vendor evaluation processes in place. Good governance is ensured by making sure each vendor and supplier is made aware of and adheres to the requirements of the Tata Code of Conduct. Vendors and suppliers are both recognised for good performance and also in the odd occasions pulled up for non-performance to encourage constant improvement and excellence. Key parameters that are reinforced constantly include requirements of environment compliances, safety, governance and ethics of the highest order and any other compliances pertaining to legal and regulatory requirements.

Below paragraphs highlight two significant efforts in the supply chain journey of the Company, that has not only gone on to create sustainable social business entities, but have also created a benchmark of sorts in the Indian Industry: a) Women Self-Help Groups for outsourcing / subcontracting operations (Project MEADOW), b) Karigar transformation story, responsible sourcing journey of the jewellery division.

a) Project MEADOW - creation of sustainable social business model

MEADOW (Management of Enterprise and Development of Women) an initiative of the NGO, **MYRADA in collaboration with Titan,** is an inclusive growth programme started with about 24 women and today employs over **400+ rural women** in and around Hosur. MEADOW Rural Enterprises was incorporated in the year 1998. Uneducated young women, widows and single mothers are primarily given employment in MEADOW. MEADOW operates as a vendor for all the three manufacturing Divisions of Titan (Watches, Jewellery and TEAL). Titan's association with MEADOW is also part of its CSR initiative to improve quality of life of underprivileged rural women by the way of skill training, women empowerment and sustainable employment. MEADOW started its association with Titan in a small way when Titan had decided to outsource assembling of watch straps. Titan not only trained them in the assembly of links, but also in the managerial functions like Planning, Production, Accounting, Lean, Business Awareness, Technical Skilling, Costing, etc. **MEADOW employees around 40% of its employees from Affirmative Action community. Across all divisions, close to 23 types of activities are outsourced to these SHGs**.

MEADOW Business Model:
MEADOW runs the business in the SHG (Self-Help Group) model - "Owner - Manager - Worker". MEADOW has a Board of Directors and CEO appointed by the Board. Each Production unit has a Director who will represent their unit in the Board. The key decisions are taken / approved by Board of Directors. All statutory requirements are complied with, including Minimum Wages Act, PF, ESI, PCB norms etc. The profit is shared amongst all employees while partial amount is allocated to corpus fund.

The MEADOW model, in nutshell, has become a benchmark from a competitive, effective and sustainable perspective.




b) The Karigar story and responsible sourcing journey of the Jewellery division

In the context of a highly unorganised and fragmented industry in India with several practices that could be illegal or with poor human conditions in manufacturing, the Company has taken upon itself to lead and be the pioneer in best supply chain and karigar practices, that has transformed the nature of the Indian jewellery industry. These pioneering efforts in the area of human rights and dignity of work for karigars is a well acknowledged practice in the Indian Jewellery industry.

The below example attempts to substantiate the Company's game changing efforts in this direction.

Transforming lives. The Karigar story

Gem and Jewellery sector contributes to about **6-7% of India's GDP.** The Indian fascination to Jewellery dates back to 5,000 years. This sector is **highly fragmented and unorganised** with over 90% jewellers being family-owned businesses. Titan is one of the key players in the organised sector with a **market share of 5 to 6%.**

The Jewellery industry in India has a highly unorganised artisan (karigar) driven, traditional skill-based (handcrafted) manufacturing value chain, employing lakhs of people in rather inhumane working conditions with labour exploitation and poor labour and workplace practices, which is very different from other countries. This highly **labour-intensive sector** has been traditionally characterised by outdated practices, negligible inputs from modern processes and technologies, craftsmen working for 14-16 hours in poorly lit, cramped and unsafe environment with the use of toxic chemicals, leading to early health-related forced retirement by the age of 40.

Titan's interventions from over a decade have transformed some parts of this sector and influenced many more players too. The objective is to bring transformation in the way jewellery manufacturing is being done in India and focus on inclusive growth of the stakeholders in the value chain. It has highlighted the need to urgently uplift the exploited vital link in the chain - **"The Karigar".**

This transformation journey was brought about in three stages over the years starting from **Project Unnati,** moving to **Mr. Perfect** and later has taken the shape of **Karigar Centre.** Karigar Centre is a sustainable model focussing on inclusive growth for all stakeholders in the value chain especially the craftsmen who are completely neglected by the trade. The business model of Karigar Centre has investments in land & building by Titan Company while the management of the same is by captive vendor partners. Further, these Titan Karigar Centres also have a dedicated residential block for Karigars to live within the same campus with a good quality of life and healthy nutrition.

The Karigar Centre initiative also enables overcoming a critical challenge associated with attracting and retaining good talent in Jewellery manufacturing for the Company and is one of its kind in the entire Jewellery industry pan-India.

In addition to providing good infrastructure, we have worked closely with partners and Karigars to enhance the business value by deploying many management, production and quality systems, including Theory of Constraints, Lean manufacturing, Quality and Environment management systems amongst many others.

Pictures below depict various stages of transformation:

Along with transforming the lives of Karigars, the business benefits for Karigar Centre include:

2X productivity increase for Karigars;

Year-on-year business growth for vendor partners;

Enhanced quality;

Reduced lead-time and inventory levels;

Enhanced delivery performance to customer; and

New capability development.

It may also not be out of place to mention that the Jewellery Division was the first in the industry to enable gold purity testing in a transparent manner (through the karatmeter) which today has been the trendsetter and the industry has followed suit subsequently.

Responsible Sourcing:

The Company has embarked to the next phase of the responsible sourcing journey. As part of a formal practice and policy, the following initiatives have been put in place by the jewellery division in this journey:

Procurement of gold and outsourced jewellery

A significant 40-45% of the gold consumed is from recycled gold received from the customers under our friendly and transparent gold exchange programme. The balance 55-60% fresh gold bars consumed is procured from RBI-designated banks which import London Bullion Market Association (LBMA) certified ensuring highest purity, quality and mined from ethical sources. This approach is also applicable for all outsourced jewellery and vendors who supply finished or semi-finished products to us. An internal bullion management policy that ensures robust compliance and optimises the use of this precious commodity to ensure minimised procurement of mined gold.

Procurement of diamonds

Diamonds are being procured from reputed and authorised “Sightholders” who buy from global diamond manufacturers like DeBeers, Alrosa and Rio Tinto who follow the Kimberly process for ethical mining. Further, these sightholders who are our vendors in India, are governed by a comprehensive Titan Supplier Engagement Protocol (TSEP) specifically deployed for diamond sourcing.

Procurement of Jewellery from Other outright / Job-work / Outwork vendors:

In addition to gold and diamonds procurement, we have ensured a vendor code of practice for all jewellery manufacturers who work with us based on a well-structured “4P - People, Place, Process, Planet” framework for ensuring a comprehensive and holistic approach to transforming the traditional and unorganised jewellery manufacturing sector. Further, there are requirements pertaining to traceability categorisation and certifications. This above protocol is formally signed by the concerned supplier / vendor.

The overall aim of this protocol is to ensure three basic objectives:

a) Ensure responsible and ethical practices are followed throughout the value chain;

b) Establish traceability to ensure that all diamonds originate from an ethical mining;

c) Ensure zero mixing of synthetics with natural diamonds.

Some of the key elements of this protocol that are included under the 4P approach is as follows:

People: Guidelines pertaining to human rights, fair wages including PF, ESIC etc., child labour, freedom of association and discrimination

Process: Guidelines pertaining to Legal compliance, Kimberly process certification and World Diamond Council SOW, corruption, contractor management and money laundering, besides quality systems for consistency and high functional and aesthetic quality

Place: Guidelines on health and safety, security, pollution levels, ergonomic working, etc.

Planet: Guidelines on waste and emissions, preservation of environment, etc.

Vendor Audits, grading and onboarding:

To ensure a measurable progress along this responsible sourcing journey, using the 4 P framework all vendor partners of the jewellery division have been classified into 4 categories of Cottage, Basic, Standard and world-class based on ground audits of all parameters. There is a systematic programme to continuously plan, audit, review and develop all vendor units to become Standard by FY 2021-22. This is being constantly reviewed and driven systematically by the Jewellery ISCM team. Further, there is also a formal audit and vendor assessment system in place to ensure new vendors who get on-boarded adhere to this protocol.

Across all divisions, the Company was able to put in mechanisms to support our supply chain partners during the pandemic, both financially and also logistically.

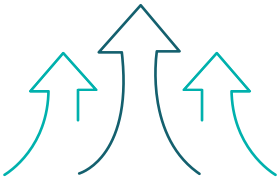
Employee Engagement, Diversity and Inclusion

The Company provides a safe, productive and conducive environment where employees can learn and develop their skills and talent. Apart from serving customers, employees innovate and develop products and services in an increasingly competitive world.

Attracting and retaining talent is a challenge and the Company has put in place right measures to address this. In order to enhance employee satisfaction and engagement, the Company conducts employee engagement surveys, the results of which are analysed and new measures to increase employee engagement are implemented. The Company believes and practices diversity and inclusion.

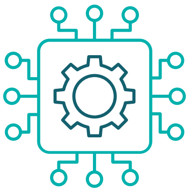
The Company had 7,235 employees on rolls, out of which 1,917 were women. Of the total base, 150 employees are differently abled.

Competitive Advantage



The Company strives to retain its competitive advantage in the domestic and international markets. Being a dominant player across categories in which it is present, coupled with state-of-the-art manufacturing facilities as well as pan-India presence, provides the Company sustainable competitive advantage. Through the attraction and retention of high calibre individuals, who not only have the required technical qualifications and experience, but also demonstrate the desired behavioural traits which fits its entrepreneurial and dynamic culture. The Company has enhanced its competitive edge over its peers. The Company believes that its capability to respond to its customers' demands with agility will enable it to deliver high quality products and exceptional customer service, thereby strengthening its competitive advantage. The key differentiators that the Company offers are - exceptionally designed and crafted collections, products that continue to be industry-leading, brand-building efforts that are cutting-edge, exceptional customer experience at the stores characterised by warmth displayed by store personnel as well as store ambience, strong digital presence through websites and various social media, IT-led Analytics and leveraging the CRM platform to enable a seamless physical-cum-digital consumer engagement and continued focus on Encircle, the loyalty program that is growing well.

Product Innovation & Technology



The Company continues to invest in new technologies and innovation with a view to create a deeper understanding of its customer needs and expectations and offers products and services to enhance the value proposition and customer experience across various touchpoints. While the focus areas with initiatives for end consumers have been in customer engagement, personalisation, experimentation, campaign analytics, gamification etc. these have not only resulted in additional sales, but have also led to increased customer experience and customer base and also had significant impact on the business in areas like product innovation, process optimisation, cost reduction.

The Company has also enhanced digital engagement with franchisees through portals which have helped them to reconcile business and account transactions. The investments in mobile applications for employee engagement and collaboration tools for conducting business away from the office has come in handy during the COVID-19 crisis. The digitisation of after sales service connecting dealers and service hubs has improved operations across 9,000 watch service dealers. Contactless payment-Titan Pay-powered by SBI Yono was a timely launch.

On the Business Process Management (BPM) several initiatives have been deployed that have delivered significant productivity improvements and process controls. These include deep learning technology for enabling customers / store staff to search similar image of the products, MAPS view for discovering high potential market locations etc.

The accessories category has grown by 200%, and is expected to grow strongly. An innovative launch during the year has been Fastrack Reflex Tunes - a range of Audio accessories to tap this large and growing market. The year was a hallmark for many innovations in Eyewear too: Neo Progressive lens created specifically for the new-age buyers with extensive digital screen exposure, Indifit technology for Frame sizing, Fog Free, and Blue filter lens that helped in breaking the clutter and drive higher walk-ins.

Product Manufacturing, Quality and Safety

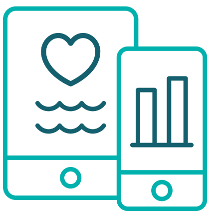
Since customer needs and demand for superior products and services are of primary importance, the Company strives to deliver high quality products and services through modern manufacturing processes and technologies. By owning strategically important manufacturing capital, the Company has been able to further augment its product quality, production efficiency and cost competitiveness to ensure responsive management across the value chain. The multi-locational manufacturing sites provides the Company not only to de-risk operations but also enable it to serve the distribution network more effectively.

In manufacturing too there has been enhanced thrust on innovation which have led to several innovative products such as slim watches, creation of light weight jewellery, colouring through Nano coating, etc. Matching to this, there has been an enhanced thrust on R&D towards simplification of processes, introduction of alternate materials, addition of features to products etc. With the acquisition of HUG Innovations (a wearable and IoT platform start-up), the Company is poised to take a firm foothold in the wearables segment that has been growing rapidly. Some of the key interventions during the year include IoT-based products such as Fastrack Reflex 3.0, one of the slimmest fitness tracker etc. Material innovations on gold, (make it lighter) silver (tarnish resistance), brass (improve properties), as well on eyewear frame materials through introduction of new alloys.

Having achieved benchmark quality levels within the country, the Jewellery division has taken up the World's Best Quality (WBQ) journey to enhance the quality levels to international levels and has since made significant progress in this journey.

To provide higher confidence to customers coming into stores in view of pandemic scenario, Gold standard safety protocols were introduced and extensive communication was done. These were posted on YouTube and sent to all Encircle customers as well as a video message from CEO. It garnered several lakh views.

Occupational Health, Safety and Well-Being



The Company continues to put significant contribution towards safeguarding human rights, health, safety and well-being of all employees and all other stakeholders. Prevention of work-related injuries, particularly at the manufacturing facilities where the inherent risks of health and safety incidents are high is a priority area. Over the past many years, the Company has invested heavily in achieving stability and sustainability in its operations by giving priority to address health and safety expectations of all employees and other stakeholders.

Apart from training all categories of employees, drivers of Company-hired vehicles were also trained on defensive driving techniques. The Company has also implemented a unique prevention oriented safety engagement program, "Project Suraksha", which focusses on safety at stores and has been in place since the last three years. Titan has been successfully upgraded to ISO 45001 standard on Occupational Health and Safety from OHSAS 18001. People are trained on the identification of hazards and mitigation of risk as part of ISO 45001 standard certification.

Implementation of safety protocol for managing COVID-19 pandemic at manufacturing units, offices, retail stores and vendor units including deep cleaning, disinfection and fumigation of the premises. Periodic review on prevention and preparedness to handle COVID-19 related challenges, including creation of over SOP's has been a key focus area during the pandemic times.

Our Business Model

INPUT

Financial Capital	UoM	2020-21
Equity	₹ Cr.	89
Reserves	₹ Cr.	7,464
Total Capital Employed	₹ Cr.	7,553
Capital Expenditure	₹ Cr.	1,130
Market Capitalisation (as on 31st March 2021)	₹ Cr.	1,38,322
Human Capital	**UoM**	**2020-21**
On Roll Employees	Nos.	7,235
Top Management and Leadership	Nos.	92
Manufacturing	Nos.	3,036
Sales, Marketing & Retail	Nos.	3,213
Corporate & Support Functions	Nos.	986
Off Roll Employees		
At Manufacturing and Offices	Nos.	4,500
At Retail Stores	Nos.	12,600
Diversity Aspect		
Male	Nos.	5,318
Female	Nos.	1,917
Differently Abled (within the above)	Nos.	150
Training, Learning & Development - Staff		
Investments Per Person	₹	4,625
Training	Man-days	4.9
Unionised Employees		
Training	Man-days	0.3
Training for Senior/Top Management/Professional Courses		
Investments Per Person	₹	39,000
Training	Man-days	1.1
Social and Relationship Capital	**UoM**	**2020-21**
Number of showrooms across all formats	Nos.	1,909
Retail footprint	Sq.Ft	2405949
Number of Touchpoints (apart from showrooms)	Nos.	11,000
National Campaigns and Initiatives	Nos.	26
Jewellery Division		
• Pan India Number of Showrooms	Nos.	397
• Key Vendor Base	Nos.	100
Watches Division		
• Pan India Number of Showrooms	Nos.	782
• Key Vendor Base	Nos.	75
CSR Budget (2% Mandate)	₹ Cr.	37.26
Vendors/Suppliers/Distributors Training Programmes	Nos.	8
Natural Capital	**UoM**	**2020-21**
Jewellery Division		
Gold and Silver Recycled	Tonnes	16.97
	Tonnes	0.97
Energy Consumption (Fuel+Grid+RE)	Lakh Units	49
Water Consumption	KL	29,823
Investments in Environmental Conservation/Biodiversity	₹ Cr.	8.97
Watches Division		
Precious Gold Consumed	Tonnes	0.038
Total Recycled Gold	Tonnes	0.023
Energy Consumption (Fuel+Grid+RE)	Lakh Units	72.24
Water Consumption	KL	41,026
Investments in Environmental Conservation/Biodiversity	₹ Cr.	1.617
Manufactured Capital	**UoM**	**2020-21**
Jewellery Division		
• Tonnes of Gold Processed	Tonnes	25.4
• Tonnes of Silver Processed	Tonnes	1.9
• Investment in Quality	₹ Cr.	0.27
Watches Division		
• Quantity of watches produced	Lakh	76.99
• Tonnes of Brass used	Tonnes	254
• Cost of Quality Per Watch produced	₹	37.73
Eyewear Division		
Lenses Production	Lakh	8.64
Frame Production	Lakh	1.29
Cost of Quality Lense	₹ Cr.	0.85
Cost of Quality Frames	₹ Cr.	0.28
Intellectual Capital	**UoM**	**2020-21**
Research and Development CTS Group	₹ Cr.	0.08
No. of Innovations	Nos.	77
• Collaboration Investment (IITs)	₹ Cr.	0.04
Eyewear Division		
• New Collections (NC) Launched	Nos.	566
Jewellery Division		
• New Collections (NC) Launched	Nos.	3
• Collaboration Investment (IITs)	₹ Cr.	0.045
Watches Division		
• New Materials Introduced - Aluminium Products	K	34
• New Technologies Introduced - Variety	K	152
Research and Development Capex	₹ Cr.	0.02

VALUE CREATION USING SIX CAPITALS

Our Vision

We create elevating experiences for the people we touch and significantly impact the world we work in.

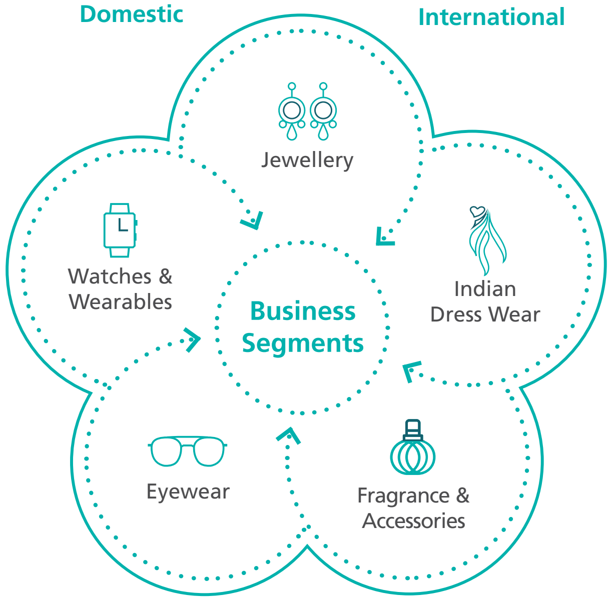
Our Mission

We will do this through a pioneering spirit and a caring, value-driven culture that fosters innovation, drives performance and ensures the highest global standards in everything we do.

Employees Customers

Creating value for our Stakeholders

Domestic International



Unemployment

Inflation

Foreign Currency Fluctuation

Gold Price Fluctuation

Investors Community

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OUTCOME

Distributors

Research & Development

Risk Management

Total Customer Orientation

Employee Appreciation

Performance Culture and Teamwork

Creativity and Innovation

Passion for Excellence

Corporate Citizenship

Information Technology

Product Development

Business Partners

Domestic Regulatory Policies

Economic Outlook

Shareholders

Product & Retail Brands

Watch Brands

- TITAN
- SONATA
- FASTRACK
- FAVRE LEUBA
- XYLYS
- NEBULA
- RAGA
- SF
- WORLD OF TITAN
- HELIOS

Jewellery Brands

- TANISHQ
- MIA BY TANISHQ
- ZOYA
- CARATLANE

Eyewear Brands

- TITAN EYEPLUS
- FASTRACK
- GLARES

New Business

- SKINN
- TANEIRA

OUTPUT

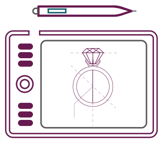
Financial Capital	UoM	2020-21
PBT Margin - PBT Margin after exceptional items	%	5.98
Sales to Net Fixed Assets	Ratio	19.76
Sales to Debtors	Ratio	70.85
Sales to Inventory	Ratio	2.58
Retained Earnings	₹ Cr.	4,279
Return on Capital Employed (EBIT)	%	21.58
Return on Net Worth	%	12.19
Market Capitalisation (as of 31st March 2021)	₹ Cr.	1,38,322
Human Capital	**UoM**	**2020-21**
Emerging Leaders-Cumulative	Nos.	118
Young Leaders-Cumulative	Nos.	13
Spends on Training, Learning & Development	₹ Cr.	0.45
Investment per person on training/development	₹ lakh	0.34
Attrition-Overall	%	5
Social and Relationship Capital	**UoM**	**2020-21**
CSR Spend (2% Mandate)	₹ Cr.	37.55
Number of Beneficiaries Impacted	Lakh	4.66
Jewellery Division		
Brand Track Scores (Spontaneous)	%	75
Complaints per thousand	Nos.	1.43
Number of Buyers-Tanishq	Lakh	16.73
New Products Sale	₹ Cr.	2,134
Net Promoter Score	Score	72
Watches Division		
Brand Track Scores (Spontaneous)	Nos	74
Market Returns	%	1.33
Number of Followers on Social Media	Mn	3.19
Net Promoter Score-World of Titan	Score	75
Net Promoter Score-Fastrack	Score	64
Eyewear Division		
Network Growth-Dealers and Franchisee	Nos.	3,878
Damage returns from stores	%	3.17
Net Promoter Score	Score	75
Natural Capital	**UoM**	**2020-21**
Jewellery Division		
Specific Consumption of Energy Per Product	KW per unit	6.43
Specific Consumption of Water Per Product	KL per unit	0.04
Water Recycled	%	97.66
Watches Division		
Specific Consumption of Energy Per Product	KW per unit	3.75
Specific Consumption of Water Per Product	KL per unit	21.3
Wind Energy Contribution	%	91
Solar Energy Contibution	%	3.30
Total CO_2 Emissions	Tonnes	804.00
CO_2 Emissions Reduced	Kgs/Watch	0.06
Silver Recycled	%	49.27
Water Recycled	%	92.00
Eyewear Division		
Specific Consumption of Energy Per Product	KW per unit	2.48
Specific Consumption of Water Per Product	KL per unit	0.011
Water Recycled	%	95
Manufactured Capital	**UoM**	**2020-21**
Jewellery Division		
Percentage of Outsourced Parts-Value	%	68
Value of Goods Produced	₹ Cr.	18,576
Watches Division		
Outsourced Parts-Value	₹ Cr.	444
Cost of Quality	₹ Cr.	29.76
Value of Goods Produced	₹ Cr.	648
Import Substitution	₹ Cr.	3.26
Eyewear Division		
Overall quality of product usage (complaints on sales)	%	0.71
Production Numbers	Nos.	1,031,000
Production capacity increase in percentage	%	0
Capital Expenditure	₹ Cr.	0.6
Intellectual Capital	**UoM**	**2020-21**
R & D expenditure-CTS Group	₹ Cr.	0.07
Additonal Value Generated	₹ Cr.	9.67
Jewellery Division		
Number of Patents Granted	Nos.	3
Contribution of New Products-Plain	₹ Cr & %	₹ 1,398 Cr & 12.2% on total sales
Contribution of New Products-Studded	₹ Cr & %	₹ 736 Cr & 14% on total sales
Watches Division		
R & D expenditure	₹ Cr.	3.70
Revenue from New Products/Technologies	₹ Cr.	121.19
Number of Patents Granted	Nos.	2

Intellectual Capital

Passion for service, excellence and delivering value through innovation and technology

The Company's intellectual capital is leveraged to provide high quality yet affordable products. Driven by innovation and creativity, the Company encourages questioning the status quo and investing in concurrent technologies. As a company manufacturing and marketing branded lifestyle products, design, innovation as well as the Company's brands constitute the core of its intellectual capital.

Design Excellence Centre (DEC) is the design arm of the Company which leads the design needs of the entire organisation across categories. Quickly adapting to the dynamic market situations and being agile in times like the COVID-19 pandemic, were the key focus areas for the DEC. Capturing the changing consumer sentiments, the macro and micro trends and business requirements and designing relevant and differentiated new concepts for all



Driven by innovation and creativity, the Company encourages questioning the status quo and investing in concurrent technologies.

Intellectual Capital – Design and Innovation

Business	Design and Innovation Centres/Hubs	Products	Areas worked upon (material, functionality, design, technology-smart/connected)
Watches	Hosur/Hyderabad	Watches & Wearables	Laser cutting, wire cutting, torch brazing, texturing finish, new colour laser, investment casting, fine numerals by forming, aluminium case by cold forming, stone set drilling on 5 axis, etc.
Jewellery	Hosur	Jewellery	Automatic diamond bagging, hollow ball making, 22kt hard alloy, low temperature melting gold alloy, stone detection, investment mixing operation, investment powder removal, chain making etc.
Eyewear	Chikkaballapur	Lenses and Frames	Designing of lenses and various types of coatings on lenses and manufacturing types of materials for frames
Fragrances	Bengaluru	Fragrances	Fragrance development and directing the creativity of our international perfumers, bottling and packaging development
Common for Businesses	Design Excellence Centre, Bengaluru	Watches, Jewellery, Eyewear	Designing of watches, jewellery, eyewear and other products catering to various divisions

Watches Jewellery Eyewear Fragrances Common for Businesses

businesses of Titan made Financial Year 2020-21 a very exciting, extraordinary and purposeful year.

Technology has played an important role in transforming the way of working especially in the space of new product development. The three key areas of focus this year were "Build Design Leadership for all our Brands", "Continue on the journey of building excellence in Design" and "Focus on Innovation".

This approach has led to design of many successful products such as 'Wear your prayer' pendants, Ganesh Chaturthi pendants, "Aarambh" and "Ekatvam" collections in jewellery, "Raga", "Versatyle" in watches, Fit-Outs and Ruffles gals bags collection for Fastrack, Ergo light backpacks in accessories and "Fastrack" perfumes. The DEC also won many recognitions.

The Company's portfolio of brands continue to symbolise quality, trust, value as well as style and fashion. The digital strategy is to innovate and provide a stream of business solutions, understanding consumers, develop technology platforms etc. The focus is on analytics too that gives insights from various aspects for customising products and services and retailing which in turn strengthen the CRM - (Customer Relationship Management) approaches.

The Company's value proposition comes through leveraging its strengths and competencies across capitals to provide variety of products and services in several customer segments. The Company has focussed on developing technologies through in-house efforts as well as through collaborative research. Key organisational intangibles also include know-how and management systems. Further, the Company continues to invest significantly in development of technologies.

Knowledge Management continues to play a key role in enabling the knowledge-sharing sessions through virtual media aligning to the business goals by leveraging technologies such as Google meets, video stream for product briefing etc.

Taneira represents a celebration of diverse textiles and workmanship in India. With sarees made out of pure and natural fabrics, the brand offers a wide variety of sarees in different price points. Apart from sarees, Taneira also offers bridal wear, lehengas, stoles and dupattas. Since designs are painstakingly handpicked, the curation at Taneira promises exclusivity and a refined sense of style. Leaning on the Company's strengths in the

arena of design and self-expression, Taneira is targeted at the rooted yet progressive Indian woman with its heart-warming proposition – 'Sarees, Handmade with Love'. The stores are also specifically designed to reflect and celebrate the rich tradition of handicrafts and textiles of India. A few unique collections of Sarees launched in the year were – 'Tasvi' festive Saree collection, inspired by the design elements of the three Goddesses - Durga, Laxmi and Saraswathi, 'Florelle'; Pastel Linen Sarees, 'Parichay: Song of the Forest', 'Heritage Collection'. An exquisite range of Bridal and Wedding sarees inspired by rare motifs from the weavers' service centres across India. The Company also offers SKINN, a range of fragrances for both men and women. These are designed with support from strategic associates and specific focus on bottling and packaging has added to the competitive advantage among other aspects.

The Company continues to drive innovation (Titan Innovation Engine) with established enterprise processes, continuously updated tools and through dedicated Innovation Champions. During the last year, the Company has trained 122 innovation champions on 26 Tools – "Untangle" and has over 280 Innovation champions. These champions have worked on 200 innovation projects delivering significant top line growth and bottom line savings. In addition, the team has worked with businesses to solve their challenges and have trained over 800 employees. Significantly all training were delivered through use of Online platforms.

Interlinkage of intellectual capital with other capitals

The Company provides the required impetus to intellectual capital through investments in technologies, interventions and collaborative approaches for bringing in cutting-edge technologies as well as give fillip to design and innovation to drive growth for the Company. Consequentially, financial capital, as well as manufactured capital, natural capital, human and social and relationship capital are likely to be positively impacted. It may be noted that of all the key capitals, the Hence, Capital is the one that impacts the intellectual capital the most. Hence across all divisions and businesses, the Company targets specific individuals and groups and functions to enhance and strengthen this captial, that forms part of the core competency of the Company.

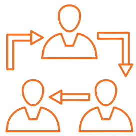
Human Capital

Building talent to drive performance excellence

The Company strives to provide a safe, challenging and rewarding environment for each of its employees. The motivated and committed employees are the catalysts who drive the business and create value for all the stakeholders. The Company is committed to empower its people and build an organisation on strong business and cultural values. The skills, experience, diversity and competencies of the employees enable the Company to operate safely, reliably and sustainably, and deliver on its growth objectives.

The Company has an ideal mix of youthful energy guided by mature leadership. As a learning organisation, the Company invests in upgrading and upskilling its people.

The Company is an equal opportunity provider and is proud to have over 150 differently abled employees. The Company continues to provide crucial educational support for the children of its employees at the Company's schools to ensure a brighter future for the children. The Company has made significant progress in its leadership development programme which consists of a four-tiered approach, namely, young leaders, emerging leaders or mid-management, senior management and top leadership. Several of our executives and managers have gone through this programme. This is now an established process.



The motivated and committed employees are the catalysts who drive the business and create value for all the stakeholders.

Interlinkage of human capital with other capitals

The Company's human capital stock is positively impacted when it invests in skill development initiatives to improve the technical know-how for R&D purposes. This also benefits the individuals for career enhancements, and increasing growth prospects, thereby increasing social and relationship capital stock and intellectual capital stock

Financial Capital

The Company aims to create value for all its stakeholders by managing the financial capital in a commercially astute and diligent manner thereby harnessing opportunities for long-term sustainable economic growth. While the provision of high quality and affordable products and services directly benefits the Company's consumers, a focus on building a profitable and sustainable business model generates economic value for varied stakeholder groups. The Company's effective management of cash flows by use of advanced technologies, well-defined processes, competent people and resource management enables in sustaining and growing its businesses and thereby deliver a significant positive contribution to the financial capital.

The Company's investment decision is always evaluated against targeted return on capital, which has to be higher than the cost of capital. Apart from creating value through its business activities, the resulting financial capital is also reinvested in each of the other capitals in a carefully balanced and calibrated manner to further achieve financial goals and objectives. Funding mechanism such as equity, short-term debt and operating cash are the main sources of the Company's financial capital.

While the provision of high quality and affordable products and services directly benefits the Company's consumers, a focus on building a profitable and sustainable business model generates economic value for varied stakeholder groups.

Interlinkage of financial capital with other capitals

The Company boosts investments across value chain be it technologies, infrastructure, manufacturing set-ups, marketing, working capital, induction, development and retention of talent. A combination of these would play a key role in providing quality products and service to customers across markets. This will drive growth of the Company. Consequentially, financial capital would be impacted positively as also other capitals.

Social and Relationship Capital

Partnering for creating, sustaining and delivering value

As a lifestyle products company, the success of the Company's endeavour is largely attributed to maintaining excellent relationships with key stakeholders in the value chain. Anchored by the Tata ethos and values, the Company has created long-lasting pleasant experiences for everyone, including karigars, vendors, business associates and customers. It is these networks of association and social capital that are cornerstone to the brand value of the Company.

Core to the business is the customer connect, that happens through country-wide retail network. A focussed channel strategy as well as modernising retail stores and sales channels have driven customers to stores leading to volume and value growth.

Further, brands engaging with customers through campaigns, commercials, social issues, festivals, runs and walkathons on causes and various other occasions have helped in reinforcing the values and philosophy that the brands stand for.

CaratLane has transformed the customer experience of virtual try-on option of buying jewellery while being at the comfort of their homes.

The omni-channel experience given to customers has been very effective in driving many customers to buy products. In order to improve the overall customer experience, the Company has set up an interface to ensures that supply chain related issues are immediately resolved. This has led to customer satisfaction scores on quality and delivery improving significantly. To enhance the customer experience at the stores, the Company has implemented measures such as enhanced staff training, creating new identity, correct selling, etc.

From the very inception, the Company believed that the only way it can succeed is to co-exist with the community and society where it operates. Be it the way it had recruited people from the remotest villages in TN/Uttarakhand or even the manner in which it went about creating sustainable busines entities such as the women self-help groups or the karigar centre, it believes social capital needs to be generated in all aspects of the business and value chain. Apart from this, the Company has engaged with different sections of the society through various programmes and initiatives. The CSR policy focusses on working with the underprivileged girl child through education, skill development for the underprivileged youth and working with arts and crafts and Indian heritage. The Company has a multitude of programmes that are being run with the help of NGOs across the four priority states - Tamil Nadu, Uttarakhand, Karnataka and Sikkim.

Trade and Dealer Development

The Company constantly engages with business associates and dealers through several forums to spearhead growth and to reach out to customers. Recharging and rejuvenation of channels has given significant results with sustained brand and product investments.

A focussed channel strategy as well as modernising retail stores and sales channels have driven customers to stores leading to volume and value growth.

The relationships with key retailers and different categories of dealers have been strengthened with sound processes leading to mutual benefits and growth. Visual merchandising, enhanced presence, systematic launch of new products, training, introduction of wearables, deeper penetration of premium products, induction of technology enablers, management of stock have been key drivers of growth in this important channel. Expansion of the footprint into new non-traditional high traffic outlets has helped in acquiring new customers.

E-Commerce

E-commerce has transformed significantly and the Company has emerged as the largest group for key players like Flipkart, Amazon and Myntra. It has been the highest growing channel and will continue to be an important channel in years to come.

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Manufactured Capital

Manufacturing with Excellence

The Company's state-of-the-art manufacturing facilities as well as the collaborative approach with suppliers and associates has been crucial in creating sustainable value. The Company continuously invests in upgrading technology and processes to improve the efficiency and effectiveness of its manufacturing capabilities. With an aim to leverage opportunities and provide employment, apart from setting up manufacturing plants, assembly units, lens labs and karigar centres, the Company has also built relationships with a large number of suppliers and associates. This effective synchronisation enables the Company to deliver high quality products to customers across markets.

The Company's manufacturing competence provides the Company with a significant competitive edge. Along with vendors, the Company swiftly responds to dynamic market requirements. Agility to align to the required product mix has helped in addressing the opportunities in the market, enabling growth. The focus remains to build a sustainable and agile integrated supply chain ecosystem in India. During the pandemic year, significant efforts were made to indigenize several parts and thereby reduce dependence on imports. This has also led to significant cost savings.

Business	Plant/Location	Products	Key Equipment and Processes
Watches	Hosur and Coimbatore	Production of Watches	Design and manufacturing of cases Brass and Gold at Hosur, Stainless Steel (SS) case plant at Coimbatore, surface finishing & allied activities, Pro-E, CAD/CAM for design, laser marking, electroplating, polishing, forging machines. Assembly line with multipoint monitoring systems. Retail Stores-Laser Engraving
	Pantnagar, Roorkee and Sikkim	Assembly (casing and strapping) of Watches	
Jewellery	Hosur, Pantnagar and Sikkim	Manufacturing and assembly of Jewellery Sorting office	Manufacturing Technology and Equipment - Waxing, casting, melting, rolling, refining, alloying, assaying, automated component bagging, robotic kit material, butterfly manufacturing and investment powder loading, 5 Axis - CNC Machine, Rapid Prototyping
Eyewear	Chikkaballapur	Production of frames and lenses	Lens Labs – Lens manufacturing, glass cutting, testing and special coating systems Frame Manufacturing – Metal line and Acetate testing

Watches Jewellery Eyewear

Interlinkage of manufactured capital with other capitals

The Company boosts investments in manufactured capital through technological upgradation and opening new manufacturing setups and stores. This will play a key role in providing quality products to the customers with low downtime thereby enhancing reputation that will drive growth for the Company. Consequentially, financial capital, as well as, human, social and relationship capital are likely to be enhanced and environment will be positively impacted.

Natural Capital

As a responsible manufacturer, the Company recognises the importance and use of natural resources while creating high value products. The Company is dedicated to minimising the negative environmental impact of its operations including from the manufacturing units, karigar centres and office spaces. The Company has established internal controls to mitigate the compliance risks associated with increasingly stringent requirements regarding air quality and effluent management. Key focussed efforts include investments in renewable energy, recycling of water and waste reduction. Titan has defined and communicated a well-articulated policy on sustainability. The largest division, i.e., Jewellery, has created a sustainability mission towards becoming carbon neutral.

The Company continues to implement several initiatives to reduce specific energy and water consumption across its manufacturing locations. The Company has also set targets for improvement on environmental aspects, including achieving carbon neutrality. All the manufacturing units have implemented various energy and fuel conservation projects which has resulted in significant reduction in energy translating directly into improving efficiency and cost savings. These have led to recognitions from several industry bodies.

Sourcing

Further, in manufacturing and supply chain, the Company has been recycling gold and brass that are used for making products. The jewellery exchange programme acts as a channel for the Company to source customers' gold for processing. Several initiatives have been pursued to recycle plastics and find alternate materials. The Company has established several processes to ensure it buys products and services from responsible vendors. Its responsible sourcing strategy in the Jewellery division coupled with the initiatives it has taken in the karigar park, karigar centre, transforming the way in which jewellery is made in the country are benchmark practices in the industry.

The Company is dedicated to minimising the negative environmental impact of its operations including from the manufacturing units, karigar centres and office spaces.

Looking Ahead

The Company will continue to focus on providing a wide range of high quality products in the sectors in which it operates, with emphasis on enhancing the economic and social well-being of all its stakeholders. Further, the Company is at the forefront of leveraging opportunities to drive growth that will create greater value to stakeholders in an innovative and agile manner in the fast-changing digital world. With the renewed fears of a second / third wave and renewed partial lockdowns in select geographies – the market remains uncertain. The Company is confident that the strategies laid out by the Company led by consumer understanding and insights will be of huge advantage. The solid pipeline of new and differentiated products which will be backed by calibrated investments in product development, retail, advertising and demand generation will enable the Company to achieve growth targets. Even as the Company battles the impact of COVID-19 both internally and externally, true to our core ideal of believing and investing in people, we will continue to cherish our people driving and accomplishing extraordinary outcomes.

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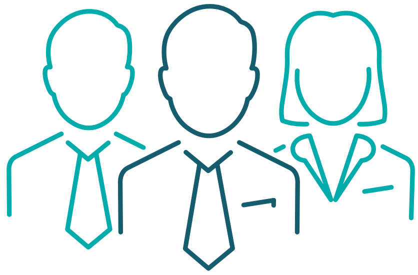
Diversity, Equity and Inclusion



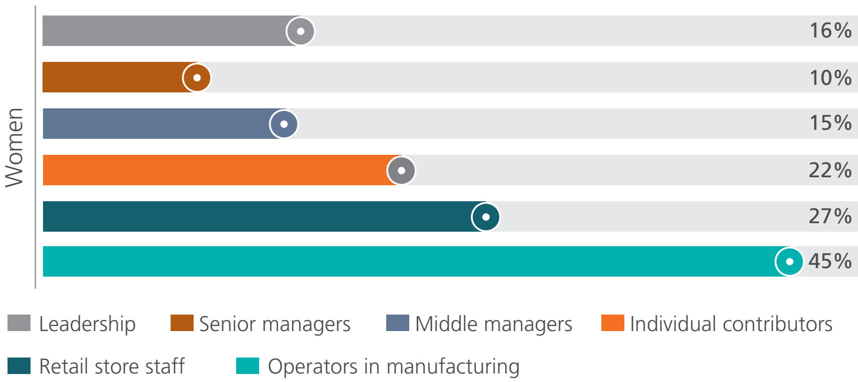
"Diversity, Equity and Inclusion" is cornerstone to Titan's growth strategy. At a very early stage of Titan's inception, the assembly lines in the manufacturing plants were managed by women, and crèches and transport facilities were provided to support them. In some of the Company's plants, some assembly lines are all-women managed. This is much before diversity & inclusion were recognised in the corporate lexicon.

In Titan, diversity begins right at the top. 16% of the Company's Top Management comprises women. The focus begins right at the entry, with women constituting 54% and 29% of Management Trainee and Graduate Engineer Trainee programmes respectively in the year 2020. In the Company stores, around 27% of employees are women across all formats with Tanishq leading the way with 32% women representation in retail sales roles.

The Company has robust systems to ensure maintaining a pay equity for all genders across levels ensuring that the Company remains an equitable workplace. Performance and promotions are closely monitored to maintain fairness and equity and identify and address biases, if any.

Some of the focussed initiatives and policies built to create an inclusive and equitable work environment are – Second Career Program in collaboration with Tata Group, preference given to Boomerang Hire, monitored & fair representation in Leadership Development and Hi-Pot talent pipeline, mentoring program focussed on women in mid-careers, support during and after maternity leave, securing performance rating post/ during maternity, extended support during business travel, manager and peer sensitisation workshops. Titan is committed to fostering an inclusive and equitable work culture, one of the Company's stated values towards this is "Unconditional Positive Regard' for people.

Share of women



Awards

Titan Company is Occupational Health and Safety : ISO 45001 Certified

Titan Company is certified as the international standard ISO 45001, which is the world's first International standard that deals with Health and Safety at Work, thereby ushering our Company into a new era of Occupational Health and Safety.

OHSAS 18001 primarily focusses on the occupational risk whereas ISO 45001 focusses on 'risk-based thinking': a more proactive, flexible, preventative approach and management commitment, employee involvement, and risk control.

The standard gives equal attention to occupational health and safety. The standards attempt to bring all relevant stakeholders into the auditing scope.

The Company started the migration journey in Q2 of 2020 and with support from all stakeholders, has successfully completed the external assessment across the manufacturing units, retail stores, CFAs, corporate and regional offices in January 2021, a very challenging period due to COVID-19 pandemic.

Greentech Environmental Award - 2020

Hosur Watch Manufacturing plant won under the Environment protection category for the **Sustained Excellence in Environment Management Practices**, our fifth consecutive victory in this category.

The "Environmental Best Practices Awards" is instituted to:

- Recognise and Award "Excellence" in Environmental practices in Industries
- Learn, compare and replicate the best practices among various Industries

There were 130 companies who had participated at an All India Level across various industry sectors.

Greentech Environmental Award - 2020

Eyewear division won the prestigious RED DOT award for the FLEXX collection

reddot winner 2021

Board of Directors

(as of 28th June 2021)

Mr. N Muruganandam
Chairman

Mr. N. Muruganandam is a 1991 batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu and Government of India. Presently, Mr. N Muruganandam is the Principal Secretary, Industries Department. During his career spanning more than 25 years, he has held key positions of Collector, Coimbatore, Karur and Chennai, Managing Director of Poompuhar Shipping Corporation. He has worked in Government of India as Joint Secretary looking after Ports, Joint Secretary in Rural Development. He was also the Project Director of World Bank-funded poverty alleviation programme Pudhu Vaazhvu. He was the Principal Resident Commissioner of Tamil Nadu House at New Delhi before taking up the current assignment.

Mr. N N Tata
Vice Chairman

Mr. Noel N. Tata is currently the Managing Director of Tata International Limited, Chairman of Voltas Ltd., Tata Investment Corporation, Trent Limited and Tata Africa Holdings Ltd. Besides this, Mr. Tata has also been appointed as the Vice Chairman of the Company in 2018. He has been appointed as Trustee of Ratan Tata Trusts. Mr. Tata is also on the board of Kansai Nerolac Paints and Smiths Plc. Mr. Tata graduated from Sussex University (UK) and has completed the International Executive Programme (IEP) from INSEAD.

Mr. Bhaskar Bhat
Director

Mr. Bhaskar Bhat is a B.Tech (Mechanical Engineering) degree holder of IIT - Madras, and a Post Graduate Diploma Holder in Management from IIM-Ahmedabad. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008. Bhaskar started his journey in the Tata Group with the Tata Watch Project in 1983, later to become Titan Watches Limited, and now Titan Company Limited. At Titan, Bhaskar dealt with Sales & Marketing, HR, International Business and various general managerial assignments. He then took over as Managing Director of the Company on April 1, 2002, and held the position till his superannuation on September 30, 2019. Subsequently, he was appointed as a Non-Executive Non-Independent Director of the Company with effect from October 1, 2019.

Mr. C K Venkataraman
Managing Director

Mr. C K Venkataraman took over as the Managing Director of Titan with effect from October 1, 2019. He is a Post Graduate Diploma holder in Management from IIM-Ahmedabad and had joined Titan in 1990 and worked in the Advertising and Marketing functions before becoming the Head of Sales & Marketing for the Titan brand in 2003. Thereafter, he took charge of the Jewellery Division in 2005 and subsequently became the Chief Executive Officer of the Jewellery Division before being elevated to Managing Director.

Mr. V Arun Roy
Director

Mr. Arun Roy is a 2003 batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu. Presently, Mr. Arun Roy is the Secretary to Government of Tamil Nadu in the Micro, Small and Medium Enterprises Department. Earlier, Mr. Arun Roy served as the Special Secretary to the Government of Tamil Nadu, Industries Department, State Commissioner for the Differently Abled and Deputy Secretary to Government Finance Department, Managing Director, Chennai Metropolitan Water Supply and Sewerage Board and Registrar, Tamilnadu National Law School. He is also on the Board of several other investee Companies of Tamil Nadu Government.

Mr. Pankaj Kumar Bansal
Director

Mr. Pankaj Kumar Bansal has a Mechanical Engineering degree from the Indian Institute of Technology (IIT) (Banaras Hindu University), Varanasi. He also has a master's in Thermal Engineering from IIT Delhi.

Mr. Pankaj Kumar Bansal is a 1997 batch IAS officer of Tamil Nadu cadre who has held many key positions in various departments in the Government of Tamil Nadu. He had worked as a Collector of Thiruvallur, Dharmapuri and Sivagangai districts. His expertise lies in monitoring and implementation of large Infrastructure Projects.

His previous posts include Director of Town and Country Planning, Mission Director of National Rural Health Mission, Managing Director of Chennai Metro Rail Limited, Principal Secretary/Commissioner, Commissionerate of Land Administration and Chairman and Managing Director, TNEB Limited/ TANGEDCO.

Presently, Mr. Pankaj Kumar Bansal is the Chairman and Managing Director of Tamilnadu Industrial Development Corporation Limited.

Mr. Ashwani Puri
Independent Director

Mr. Ashwani Puri joined the Board of Directors of the Company on 6th May, 2016. He has extensive experience in investment / acquisition advisory services, valuations and decision analysis, business and financial restructuring, dispute analysis and forensics. Mr. Puri has served on various committees of the Banking Division/Ministry of Finance, Ministry of Corporate Affairs and INSOL International and also served as a member of PWC's Global Advisory Leadership Team. Mr. Puri is currently the Managing Partner of Veritas Advisors LLP, which provides strategy, governance and financial advisory services.

Mr. B Santhanam
Independent Director

Mr. B Santhanam joined the Board of Directors of the Company on 10th May 2018. Mr. Santhanam is the founder Managing Director of Saint-Gobain Glass India and has handled critical functions of Information Technology, Operations, Product Development, Sales and Marketing at Grindwell Norton (Saint-Gobain Group Company). Mr. Santhanam is currently the Managing Director of Grindwell Norton Limited and Chairman and Managing Director of Saint-Gobain India Private Limited.

Mr. Pradyumna Vyas
Independent Director

Mr. Pradyumna Vyas joined the Board of Directors of the Company on 25th March 2019. He acquired a Masters in Industrial Design from the Indian Institute of Technology, Bombay. In June 2010, Vyas was conferred with an Honorary Master of Arts Degree from the University for the Creative Arts in Farnham, United Kingdom in recognition of his contributions to design education and design promotion. Mr. Vyas has more than 33 years of professional and teaching experience in different spheres of design. Mr. Vyas had been associated with the National Institute of Design (NID) as a faculty in the Industrial Design discipline.

Mr. Sandeep Singhal
Independent Director

Mr. Sandeep Singhal co-founded Nexus Venture Partners in 2006. Nexus manages over $1.5 billion and has an active portfolio of over 75 companies across the technology, enterprise, consumer services, internet and mobile, alternate energy and agribusiness sectors. Prior to Nexus, Sandeep was co-founder & CEO of Medusind Solutions, a leading healthcare BPO acquired by a US private equity firm, and previously a co-founder & MD of eVentures India, where he invested in CustomerAsset and MakeMyTrip. He has held senior roles at McKinsey & Company in their US offices.

Sandeep has an MBA (with Distinction) from The Wharton School with a dual Major in Finance and Marketing, and a BS in Electrical Engineering from Stanford University.

Dr. Mohanasankar Sivaprakasam
Independent Director

Dr. Mohanasankar Sivaprakasam joined the Board of Directors of the Company on 3rd July 2019. He has acquired a Ph.D. in Electrical Engineering from the University of California, M.S. in Electrical Engineering from North California State University and B. Tech in Instrumentation Engineering from Anna University, India. He has won the Indian National Academy of Engineering (INAE) Young Engineer Award and IITM's Institute R&D Early Career Award in the year 2015. His research interest lies in medical devices and diagnostics, biomedical instrumentation, affordable healthcare technologies, healthcare delivery models for resource-constrained settings. He has published over 180 peer-reviewed papers in leading journals and conferences. He is currently Associate Professor in the Department of Electrical Engineering and heads the Healthcare Technology Innovation Centre at IIT Madras.

Ms. Sindhu Gangadharan
Independent Director

Ms. Sindhu Gangadharan is SVP and Managing Director of SAP Labs in India, responsible for SAP's development facilities in Bengaluru, Pune, Mumbai and Gurugram. SAP Labs India is the largest R&D centre outside SAP's headquarters in Germany and a leading hub for innovation and a hotspot for talent and diversity. Ms. Sindhu has played a pivotal role in shaping SAP's Integration strategy by growing SAP's Integration product portfolio as Head of Product Management for SAP Cloud Platform Integration, IoT and SAP Process Orchestration. Her deep technical expertise and business knowledge led her to head the critical integration function in SAP's Technology and Innovation organisation in the Office of the CTO. Ms. Sindhu is recognised as a thought leader in integration and innovation technologies, both within and outside of SAP and is a frequent speaker at SAP's prominent global technology events.

Corporate Information

(as of 28th June 2021)

BOARD COMMITTEES

Audit Committee

1) Mr. Ashwani Puri (Chairman)
2) Mr. V Arun Roy
3) Mr. B Santhanam
4) Mr. Bhaskar Bhat
5) Dr. Mohanasankar Sivaprakasam
6) Ms. Sindhu Gangadharan

Nomination & Remuneration Committee

1) Mr. B Santhanam (Chairman)
2) Mr. N.N. Tata
3) Ms. Sindhu Gangadharan

Corporate Social Responsibility Committee

1) Mr. Pradyumna Vyas (Chairman)
2) Mr. V Arun Roy
3) Dr. Mohanasankar Sivaprakasam
4) Mr. C K Venkataraman (Managing Director)

Risk Management Committee

1) Mr. Sandeep Singhal (Chairman)
2) Mr. V Arun Roy
3) Dr. Mohanasankar Sivaprakasam
4) Mr. Ashwani Puri
5) Mr. C K Venkataraman (Managing Director)

Executive Members

6) Mr. S. Subramaniam (Chief Financial Officer)
7) Mr. Arun Narayan (VP & Head Retail Tanishq)

Stakeholders Relationship Committee

1) Mr. B Santhanam (Chairman)
2) Mr. V Arun Roy
3) Mr. Bhaskar Bhat
4) Mr. C K Venkataraman (Managing Director)

Ethics Committee

1) Mr. Pradyumna Vyas (Chairman)
2) Mr. Ashwani Puri
3) Mr. C K Venkataraman (Managing Director)

Executive Committee

1) Mr. Bhaskar Bhat
2) Mr. B. Santhanam

Investment Committee

1) Mr. Ashwani Puri
2) Mr. Sandeep Singhal
3) Mr. Bhaskar Bhat

CHIEF FINANCIAL OFFICER

Mr. S Subramaniam

GENERAL COUNSEL & COMPANY SECRETARY

Mr. Dinesh Shetty

AUDITORS

BSR & Co., LLP
Chartered Accountants

BANKERS

Canara Bank
State Bank of India
Axis Bank
The Hongkong and Shanghai Banking Corporation
Standard Chartered Bank
HDFC Bank
Union Bank of India
ICICI Bank
Citi Bank
Kotak Mahindra Bank
IDFC Bank
IndusInd Bank
YES Bank
RBL Bank
Karur Vysya Bank

REGISTERED OFFICE

3, SIPCOT Industrial Complex
Hosur - 635 126, Tamil Nadu

CORPORATE OFFICE

"INTEGRITY", No. 193, Veerasandra,
Electronics City P.O.,
Off Hosur Main Road
Bengaluru - 560 100
Website: www.titancompany.in

REGISTRAR AND TRANSFER AGENT

TSR Darashaw Consultants Private Limited
Unit - Titan Company Limited
C 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Email: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

37th ANNUAL GENERAL MEETING

Monday, 2nd August 2021 at 2.30 P.M. through Video Conference/Other Audio Visual Means

BOOK CLOSURE DATES

24th July 2021 to 2nd August 2021

CORPORATE IDENTIFICATION NUMBER

L74999TZ1984PLC001456

Notice

Notice is hereby given pursuant to Sections 96 and 101 of the Companies Act, 2013 (the "Act") that the Thirty Seventh Annual General Meeting ("the Meeting" or "AGM") of TITAN COMPANY LIMITED ("the Company") will be held through two-way Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") on Monday, 2nd August 2021 at 2:30 P.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements for the financial year ended 31st March 2021 together with the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March 2021 together with the Report of the Auditors thereon.

3. To declare dividend on equity shares for the financial year ended 31st March 2021.

4. To appoint a Director in place of Mr. V Arun Roy (DIN: 01726117), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. Re-appointment of Mr. Ashwani Puri as an Independent Director

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and pursuant to the recommendation of the Board Nomination and Remuneration Committee and approval of the Board of Directors for re-appointment, Mr. Ashwani Puri (DIN: 00160662) whose period of office expires on 2nd August 2021, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and SEBI LODR and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company with effect from 3rd August 2021 up to 5th May 2026, not subject to retirement by rotation."

6. Appointment of Mr. Sandeep Singhal as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Sandeep Singhal, (DIN: 00422796), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 11th November 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with Article 117 of the Articles of Association of the Company, and whose appointment is recommended by the Board Nomination and Remuneration Committee, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, the appointment of Mr. Sandeep Singhal, who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing 11th November 2020 to 10th November 2025, be and is hereby approved."

7. Appointment of Mr. Pankaj Kumar Bansal as a Director

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pankaj Kumar Bansal, IAS (DIN: 05197128) who was appointed as a Director by the Board of Directors with effect from 16th June, 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the "Act") read with Article 117 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. Appointment of Branch Auditors

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, as amended from time to time, the Board of Directors of the Company be and is hereby authorized to appoint Branch Auditors for any branch office of the Company, whether existing or which may be opened/ acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

NOTES:

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular dated 5th May 2020 read with General Circulars dated 8th April 2020, 13th April 2020, 15th June 2020, 28th September 2020, 31st December 2020 and 13th January 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ("SEBI") vide its Circular dated 12th May 2020 and 15th January 2021 ("SEBI circular") has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and MCA Circulars, the 37th AGM of the Company is being held through VC/ OAVM on Monday, 2nd August 2021 at 2:30 P.M. (IST). The deemed venue for the AGM will be the Registered Office of the Company.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**

3. The explanatory statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 8 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI LODR and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ("NSDL") e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per the MCA Circulars. The detailed instructions for joining the meeting through VC/OAVM form part of the Notes to this Notice.

5. Institutional Investors, who are Members of the Company, are encouraged to attend the 37th AGM through VC/ OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the scrutiniser by e-mail at sree@sreedharancs.com with a copy marked to evoting@nsdl.co.in.

6. As per the provisions of Clause 3.A.III. of the MCA General Circular No. 20/2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 5 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Members who have not claimed/received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited ("Registrar" or "TSR"). Members are requested to note that in terms of Section 125 of the Act, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund ("IEPF"). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website – www.titancompany.in. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in.

9. In line with the MCA Circulars and SEBI Circular, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 37th AGM has been uploaded on the website of the Company at www.titancompany.in and may also be accessed from the relevant section of the websites of the stock exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. **Book Closure and Dividend:**

  i) **The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 24th July 2021 to Monday, 2nd August 2021**, both days inclusive. The dividend of ₹ 4 per equity share of ₹ 1 each (i.e. 400%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ("TDS") on or after Friday, 6th August 2021 as under:

  For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on **Friday, 23rd July 2021** as per the list of beneficial owners to be furnished by the NSDL and Central Depository Services (India) Limited ("CDSL"); and

  For shares held in physical form: To all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on **Friday, 23rd July 2021**.

  ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. 1st April 2020 and the Company is required to deduct TDS from the dividend paid to the Members at prescribed rates under the Income Tax Act, 1961 (the "IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ("DPs") or in case shares are held in physical form, with the Company by sending documents through e-mail by F**riday, 23rd July 2021**. For the detailed process, please click here: https://www.titancompany.in/sites/default/files/Dividend%20-%20Communication%20on%20Tax%20deduction.pdf

  iii) Updation of the mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner, in case the same is not updated:

  Shares held in physical form: Members are requested to send the following documents to Registrar & Transfer Agents, viz., TSR Darashaw Consultants Private Limited latest by **Friday, 23rd July 2021**:

  a) a signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

    i) Name and Branch of Bank and Bank Account type;

    ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;

    iii) 11 digit IFSC.

  b) self-attested original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c) self-attested scanned copy of the PAN Card; and

d) self-attested copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/demand draft to such Members, upon normalization of postal services and other activities.

11. As per Regulation 40 of the SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar at csg-unit@tcplindia.co.in for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on the Company's website at https://www.titancompany.in/investors/investor-information/faqs

12. The format of the Register of Members prescribed by the MCA under the Act requires the Company/Registrars and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations'. Members holding shares in physical form are requested to submit the filled-in form to the Company at investor@titan.co.in or to the Registrar in physical mode, after restoring normalcy or in electronic mode at csg-unit@tcplindia.co.in, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DPs only and not to the Company or TSR.

    Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to Registrar/their DPs. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

13. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.titancompany.in. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting your folio number.

14. **Consolidation of Physical Share Certificates:** Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

15. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investor@titan.co.in by mentioning their DP ID & Client ID/Physical Folio Number.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements

of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

17. Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:

i) **Registration of e-mail addresses permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with TSR, in respect of physical holding, by writing to them at csg-unit@tcplindia.co.in. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/TSR to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

ii) Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring User ID and password for e-Voting for the resolutions set out in this Notice:

- In case shares are held in **physical form**, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card
- In case shares are held in **Demat form**, please provide DP ID-Client ID (16 digit DPID + CLID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card. If you are an Individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in Demat mode**.

18. Remote e-Voting before/during the AGM:

i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR (as amended) and the MCA Circulars, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

ii) Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date of Monday, 26th July 2021** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the **cut-off date i.e., Monday, 26th July 2021**, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

iii) The remote e-Voting period commences on **Thursday, 29th July 2021 at 9.00 a.m. (IST) and ends on Sunday, 1st August 2021 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e. Monday, 26th July 2021**.

iv) Members will be provided with the facility for voting through the electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

v) The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

19. Mr. Pradeep Kulkarni, Practicing Company Secretary (Membership No. F7260 & CP No. 7835) has been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

20. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.

21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.

22. The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.titancompany.in and on the website of NSDL: www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

23. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Monday, 2nd August 2021.

24. Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

25. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

    A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

    i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company i.e., 116122 will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

    ii. Members are encouraged to join the Meeting through Laptops for better experience.

    iii. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

    iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    v. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 37th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at investor@titan.co.in before 3.00 p.m. (IST) on **Thursday, 29th July 2021**. Such questions by the Members shall be suitably replied by the Company.

    vi. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investor@titan.co.in between **Wednesday, 28th July 2021 (9.00 a.m. IST) and Friday, 30th July 2021 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM**. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

B. **INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in Demat mode

In terms of SEBI Circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, individual Shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat accounts in order to access e-Voting facility.

Login method for individual Shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Type of Shareholders	Login Method
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Shareholders other than individual Shareholders holding securities in Demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your Demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries/grievances pertaining to remote e-voting (before the AGM/during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for shareholders and e-voting user manual for shareholders available in the 'Downloads' section of www.evoting.nsdl.com or call on the toll-free number: 1800 1020 990/ 1800 224 430 or send a request at evoting@nsdl.co.in

3. Any person who acquires shares of the Company and becomes a Member of the Company after the

dispatch of the Notice and holding shares as on the cut-off date, i.e. **Monday, 26th July 2021**, may obtain the User ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you may reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll free no. 1800 1020 990 /1800 224 430.

In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, 26th July 2021, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

28th June 2021
Bengaluru
CIN: L74999TZ1984PLC001456
Registered Office:
3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 5 to 8 of the accompanying Notice:

Item No. 5

Mr. Ashwani Puri (DIN: 00160662) was appointed as a Non-Executive Director of the Company effective 6th May 2016. On 1st April 2014, the Ministry of Corporate Affairs notified Section 149 of the Act and related Rules. Pursuant to the said provisions, Mr. Puri was appointed as an Independent Director of the Company by the Shareholders of the Company at the 32nd Annual General Meeting (AGM) held on 3rd August 2016, for a period of five years upto 2nd August 2021.

The Board on 29th April 2021, based on the recommendations of the Board Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Puri as a Member of the Board and considering that the continued association of Mr. Puri would be beneficial to the Company, proposed to re-appoint Mr. Puri as an Independent Director of the Company, not liable to retire by rotation, for a second term effective 3rd August 2021 up to 5th May 2026. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Puri for the office of Director.

Mr. Puri has consented to continue to act as Director of the Company and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). In terms of Regulation 25(8) of the SEBI LODR, Mr. Puri has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated 20th June 2018, issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, Mr. Puri is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Puri has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In terms of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the SEBI LODR, each as amended, the re-appointment of Mr. Puri as an Independent Director of the Company for a second term commencing 3rd August 2021 up to 5th May 2026 is being placed before the Shareholders for their approval by way of a Special Resolution. Mr. Puri, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Puri is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI LODR each as amended, and is independent of the Management of the Company. A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members.

Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

Mr. Puri would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where he is a Member. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The profile and specific areas of expertise of Mr. Puri forms part of this Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

Except Mr. Ashwani Puri, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

Mr. Ashwani Puri is not related to any other Director or KMP of the Company.

Item No. 6

The Board of Directors, on the recommendation of the Board Nomination and Remuneration Committee ("BNRC"), appointed Mr. Sandeep Singhal (DIN: 00422796) as an Additional Director of the Company, with effect from 11th November 2020. In terms of Section 161(1) of the Act, Mr. Singhal holds office upto the date of this AGM and is eligible for appointment as a Director.

Based on the recommendations of the BNRC and subject to the approval of the Members, Mr. Singhal was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years commencing from 11th November 2020 to 10th November 2025, in accordance with the provisions of Section 149 read with Schedule IV of the Act.

Mr. Singhal has consented to act as Director of the Company and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR. In terms of Regulation 25(8) of the SEBI LODR, Mr. Singhal has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated 20th June 2018, issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, Mr. Singhal is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Singhal has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Singhal fulfils the conditions specified under the Act read with Rules thereunder and the SEBI LODR for his appointment as Independent Non-Executive Director of the Company and is independent of the Management. Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Singhal as an Independent Director. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members.

Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The profile and specific areas of expertise of Mr. Singhal forms part of this Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the SEBI LODR and other applicable regulations, the appointment of Mr. Singhal as an Independent Director for five consecutive years commencing from 11th November 2020 is now placed for the approval of the Members by an Ordinary Resolution.

Mr. Singhal would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where he is a Member. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The Board recommends the Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

Except Mr. Sandeep Singhal, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

Mr. Sandeep Singhal is not related to any other Director or KMP of the Company.

Item No. 7

Tamilnadu Industrial Development Corporation Limited ("TIDCO"), the co-promoter of the Company has nominated Mr. Pankaj Kumar Bansal, IAS, Chairperson and Managing Director of TIDCO as a Nominee Director of TIDCO on the Board of the Company and accordingly was appointed as an Additional Director of the Company by the Board of Directors effective from 16th June 2021. As such, Mr. Pankaj Kumar Bansal holds office as Director up to the date of this AGM and is eligible for appointment as a Non-Executive, Non-Independent Director. A Notice under Section 160(1) of the Act has been received from a Member indicating his intention to propose Mr. Pankaj Kumar Bansal for the office of Director at this AGM.

Further details of Mr. Pankaj Kumar Bansal have been given in the Annexure to this Notice.

Mr. Pankaj Kumar Bansal is eligible to be appointed as a Director in terms of Section 164(2) of the Act. A declaration to this effect and the consent to act as Director, subject to appointment by the Members, has been received from Mr. Pankaj Kumar Bansal. Further, he has also confirmed that he is not debarred from holding the office of a director pursuant to any SEBI Order or any such Authority.

The Board recommends the Resolution at Item No. 7 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their respective relatives other than Mr. Pankaj Kumar Bansal is concerned or interested in the Resolution at Item No. 7 of the Notice.

Mr. Pankaj Kumar Bansal is not related to any Director or KMP of the Company.

Item No. 8

The Company has branches outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board recommends the Resolution at Item No. 7 of this Notice for approval of the Members. None of the Directors or Key Managerial Personnel ("KMP") or their respective relatives are concerned or interested in the Resolution at Item No.7 of the Notice

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

28th June 2021
Bengaluru
CIN: L74999TZ1984PLC001456
Registered Office:
3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu

Annexure to Notice

Details of Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

(In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. V Arun Roy*	Mr. Ashwani Puri*
Director Identification Number (DIN)	01726117	00160662
Date of Birth	11th March 1979	16th November 1956
Age	42	64
Date of Appointment	26th November 2018	6th May 2016
Qualifications	IAS	Fellow member of the Institute of Chartered Accountants of India and a Management Accountant from the Chartered Institute of Management Accountants, UK
Expertise in specific functional areas	Mr. Arun Roy is a 2003 batch IAS officer who has held many key positions in various departments in the Government of Tamil Nadu. Presently, Mr. Arun Roy is the Special Secretary to Government of Tamil Nadu, Industries Department. Earlier, Mr. Arun Roy served as the State Commissioner for the Differently Abled and Deputy Secretary to Government Finance Department, Managing Director, Chennai Metropolitan Water Supply and Sewerage Board and Registrar, Tamilnadu National Law School. He is also on the Board of several other investee companies of Tamil Nadu Government.	Mr. Ashwani Puri has extensive experience in investment/acquisition advisory services, valuations and decision analysis, business and financial restructuring, dispute analysis and forensics. Mr. Puri has served on various committees of the Banking Division/Ministry of Finance, Ministry of Corporate Affairs and INSOL International and also served as a member of PricewaterhouseCoopers Global Advisory Leadership Team.
Directorships held in other companies (excluding foreign companies and Titan)	• Southern Structurals Ltd. • Tamilnadu Industrial Development Corporation Ltd. • TICEL Biopark Ltd. • TIDEL Park Ltd. • Tamil Nadu Road Infrastructure Development Corporation Ltd. • Tamil Nadu Water Investment Company Ltd. • Tamil Nadu Transmission Corporation Ltd.	• Aditya Birla Finance Ltd. • Coforge Ltd. • Veritas Advisors LLP
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Audit Committee: • Aditya Birla Finance Ltd – Chairman • Coforge Ltd. - Chairman
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Remuneration	No remuneration other than Sitting Fee and Board approved Commission	No remuneration other than Sitting Fee and Board approved Commission
Number of shares held in the Company	Nil	Nil
Number of Meetings of the Board attended during the year.	3	7

Name of Director	Mr. Sandeep Singhal*	Mr. Pankaj Kumar Bansal
Director Identification Number (DIN)	00422796	05197128
Date of Birth	21st October 1966	3rd March 1970
Age	54	51
Date of Appointment	11th November 2020	16th June 2021
Qualifications	MBA, Dual Major in Finance and Marketing and BS in Electrical Engineering	IAS
Expertise in specific functional areas	Mr. Sandeep Singhal co-founded Nexus Venture Partners in 2006. Prior to Nexus, Mr. Singhal was co-founder & CEO of Medusind Solutions, a leading healthcare BPO acquired by a US private equity firm, and previously a co-founder & MD of eVentures India, where he invested in CustomerAsset and MakeMyTrip. Mr. Singhal has held senior roles at McKinsey & Company in their US offices. Mr. Singhal has an MBA (with Distinction) from The Wharton School with a dual Major in Finance and Marketing, and a BS in Electrical Engineering from Stanford University.	Mr. Pankaj Kumar Bansal has a Mechanical Engineering degree from the Indian Institute of Technology (IIT) (Banaras Hindu University), Varanasi. He also has a master's in Thermal Engineering from IIT Delhi. Mr. Pankaj Kumar Bansal is a 1997 batch IAS officer of Tamil Nadu cadre who has held many key positions in various departments in the Government of Tamil Nadu. He had worked as a Collector of Thiruvallur, Dharmapuri and Sivagangai districts. His expertise lies in monitoring and implementation of large Infrastructure Projects. His previous posts include Director of Town and Country Planning, Mission Director of National Rural Health Mission, Managing Director of Chennai Metro Rail Limited, Principal Secretary/ Commissioner, Commissionerate of Land Administration and Chairman and Managing Director, TNEB Limited/ TANGEDCO. Presently, Mr. Pankaj Kumar Bansal is the Chairman and Managing Director of Tamilnadu Industrial Development Corporation Limited
Directorships held in other companies (excluding foreign companies and Titan)	• Sedemtac Mechatronics Private Ltd. • Suminter India Organics Private Ltd. • Kissandhan Agri Financial Services Private Ltd. • Nexus India Capital Advisors Private Ltd. • Tsepak Technologies Private Ltd. • Nasadiya Technologies Private Ltd. • North End Foods Marketing Private Ltd. • Sohan Lal Commodity Management Private Ltd. • Eventures India Private Ltd.	• Tamilnadu Industrial Development Corporation Limited • State Industries Promotion Corporation of Tamil Nadu Limited • Electronics Corporation of Tamil Nadu Limited
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Remuneration	No remuneration other than Sitting Fee and Board approved Commission	No remuneration other than Sitting Fee and Board approved Commission
Number of shares held in the Company	24	Nil
Number of Meetings of the Board attended during the year.	2	NA

** For details of number of meetings attended and remuneration last drawn, please refer to the Corporate Governance Report which is a part of this Annual Report. For details of terms of appointment, please refer to the Explanatory Statement to the Notice which is a part of this Annual Report.*

Board's Report

To the Members of Titan Company Limited

The Directors are pleased to present the Thirty Seventh Annual Report and the Audited Financial Statements for the year ended 31st March 2021:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue from Operations	20,602	20,010	21,644	21,052
Other Income	181	146	186	153
Total Income	**20,783**	**20,156**	**21,830**	**21,205**
Expenditure	18,901	17,592	19,920	18,585
Profit before exceptional items, finance costs, depreciation and taxes	**1,882**	**2,564**	**1,910**	**2,620**
Finance Costs	181	149	203	166
Depreciation/Amortisation	331	310	375	348
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	1,370	2,105	1,332	2,106
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	(5)	(4)
Profit before exceptional items and taxes	1,370	2,105	1,327	2,102
Exceptional items	137	-	-	-
Profit before taxes	**1,233**	**2,105**	**1,327**	**2,102**
Income taxes				
- Current	351	552	360	570
- Deferred	5	36	(7)	39
Profit for the year	**877**	**1,517**	**974**	**1,493**
Attributable to				
- Shareholders of the Company	877	1,517	973	1,501
- Non-controlling interests	-	-	1	(9)
Profit brought forward	3,757	2,876	3,592	2,759
Appropriations				
Adjustment of transition to Ind AS 116 on opening retained earnings	-	(156)	-	(159)
Deferred tax on Ind AS 116 transition impact	-	55	-	55
Acquisition of non-controlling interest in subsidiary	-	-		(30)
Dividend on Equity Shares (excluding tax)	(355)	(444)	(355)	(444)
Tax on dividends	-	(91)	-	(91)
Closing Balance in Retained Earnings	4,279	3,757	4,210	3,592

1 a) Standalone Numbers:

During the year under review, the Company's total revenue grew by 3% to ₹ 20,602 crore compared to ₹ 20,010 crore in the previous year.

Profit before tax declined by 41% to ₹ 1,233 crore and the net profit decreased by 42% to ₹ 877 crore.

The Watches and Wearables Division of the Company recorded revenue of ₹ 1,580 crore, a decline of 40%. The revenue from Jewellery Division grew by 3% touching ₹ 17,274 crore (excluding sale of bullion of ₹ 1,357 crore). The revenue from Eyewear Division declined by 31% to ₹ 375 crore.

New Businesses, viz. Indian Dress Wear Division and Fragrances and Accessories Division recorded revenue of ₹ 98 crore, a decline of 43% over the previous year. While the Indian Dress Wear Division declined by 30%, the Fragrances and Accessories Division recorded a decrease of 51%.

With the declaration of COVID-19 as a pandemic in mid-March 2020, the performance of various Divisions were affected during the first half of the last financial year due to store closures consequent upon declaration of national lockdown by the Government and subsequent state-wise lockdowns. Watches & Wearables and Eyewear revenue declined whereas Jewellery Division grew marginally by 3%, (excluding sale of bullion during the year). There was a substantial increase in the procurement of gold through Gold on Lease resulting in considerable increase in the cash balances and no borrowings at the end of the year.

The Management Discussion and Analysis report, which is attached, dwells into the performance of each of the business divisions and the outlook for the current year.

1 b) Consolidated Numbers

At the consolidated level, the revenue stood at ₹ 21,644 crore as against ₹ 21,052 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 17 of this Report.

2. International Operations

The impact of the pandemic on this business was significant as secondary sales dried up leading to virtually zero primary sales to the Company's distributors in the first half of the year. As some normalcy returned in the second half of the year, efforts were focused on targeted expansion and maximizing returns from markets that performed better. New products, new distribution channels and a focus on e-commerce enabled a reasonable recovery in the second half of the year.

The first international Tanishq store in Meena Bazaar, Dubai was opened in October 2020 in the midst of the pandemic but did exceedingly well. The store is loved by discerning customers for its differentiated merchandise and superlative customer experience. Further efforts will also be made to expand the brands' presence in the GCC region and around the world. Considering this, the Company plans to enter into North America for which ground work has been initiated.

3. COVID- 19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. The businesses and business models have transformed to create a new work order.

The revenue impact of the pandemic played out broadly along the anticipated lines with varying levels of impact and a positive surprise in the Jewellery business.

The physical and emotional well-being of employees continues to be a top priority for the Company, with several initiatives taken to support employees and their families during the pandemic. The Company has extended counselling and self-help services providing mental & emotional support to employees. The Company has reimagined employee engagement by embracing virtual technologies. Initiatives were taken to reduce stress and the feeling of isolation, hosted inspirational leaders, mental health experts and finance experts to boost the morale of employees.

After registering tepid business during the first half of the year due to COVID-19, the Company witnessed strong business momentum as the COVID-19 impact on the consumer sentiments seemed to fade during the second half of the year. After recording the best revenue in the third quarter, which was a festive season, the Company again recorded very strong revenues in the last quarter across all businesses. The strong performance in the financial year had been the result of the agility in navigating through the crisis and uncertainty of ground situations, along with innumerous grass root innovations to serve consumer needs and leveraging digital channels to reach-out to them effectively. While the Jewellery Division has emerged very strongly from the crisis and witnessed strong growth in the last two quarters, the

Watches & Wearables and the Eyewear Divisions have also made very good progress on recovery. The Company continued with its retail network expansion during the year across the Watches & Wearables, Jewellery and Eyewear businesses.

In line with the Company's philosophy to support its ecosystem, during the year, the Company had granted loans to the extent of ₹ 97 crore to its franchisees and vendors to support them during the pandemic crisis, out of which an amount of ₹ 3 crore is outstanding as of 31st March 2021.

4. Dividend

The Directors are pleased to recommend the payment of dividend on equity shares at the rate of 400% (i.e. ₹ 4 per equity share of ₹ 1 each), subject to approval by the shareholders at the ensuing Annual General Meeting (AGM) and payment is subject to deduction of tax at source as may be applicable.

5. Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, the Board do not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for Financial Year 2020-21 in the profit and loss account.

6. Finance

The year saw all the businesses being impacted by the COVID-19 pandemic with slow-down in operations and sales. The Company's War on Waste initiative to control the costs, gave very good results in reducing costs significantly. Further, the Company's particular focus on conserving cash ensured that adequate liquidity was available despite the pandemic. Substantial increase in the procurement of gold through Gold on Lease resulted in huge cash generation for the year resulting in a very comfortable cash position at the end of the year. During the year under review, ICRA upgraded the Company's long term rating from AA+ to AAA with stable outlook. The Company had issued Commercial Papers (CP) totalling ₹ 1,500 crore with three month tenure during the first and second quarters of the year and redeemed the same on the respective due dates. There were no outstanding CPs as of 31st March 2021. During the year, the Company had sold its excessive bullion thereby increasing the efficiency in inventory management and cash flow situation.

7. Public Deposits

The Jewellery Division of the Company was successfully operating customer acquisition schemes for jewellery purchases for many years. When the Companies Act, 2013 (the "Act") became substantially effective from 1st April 2014, the Company had around seven lakh subscribers contributing to these schemes. However, these schemes were exempt under the Companies Act, 1956 relating to acceptance of public deposits as such schemes were not covered in the definition of deposits. Under the Act and the Rules made there under ('Deposit Regulations') the scope of the term "deposit" was enlarged and therefore a view was taken that the jewellery purchase schemes offered by the Company to its customers would be treated as public deposits. Thereupon, the Company discontinued fresh enrolment of subscribers and initiated steps to close the erstwhile customer schemes, which were wound down in August 2014.

Under the Deposit Regulations as amended from time to time, a company is permitted to accept deposits subject to applicable provisions, to the extent of 10% of the aggregate of the paid-up share capital, securities premium account and free reserves from its Members & 25% of the aggregate of the paid-up share capital, securities premium account and free reserves from the Public after prior approval by way of special resolutions passed by the Members in this regard. Requisite approval was obtained from the Members of the Company and a new programme for customers to purchase jewellery (under the Jewellery Purchase Plan) was launched in November 2014 in compliance with the Deposit Regulations.

The details relating to deposits, covered under Chapter V of the Act are as under:

(a) accepted during the year: ₹ 1,909 crore

(b) remained unpaid or unclaimed as at the end of the year: ₹ 1,075 crore

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

- (i) at the beginning of the year : Nil
- (ii) maximum during the year : Nil
- (iii) at the end of the year : Nil

There are no deposits that have been accepted by the Company that are not in compliance with the requirements of Chapter V of the Act.

8. Material Changes and Commitments Affecting Financial Position Between end of the Financial Year and Date of Report

There have been no material changes and commitments for the likely impact affecting financial position between end of the financial year and the date of the report except for the impact arising out of the continuance of the COVID-19 pandemic which has risen exponentially in the second wave till the date of signing of this Report.

Please refer Note 37 of Notes to the standalone financial statements for further details in respect of impact of COVID-19 on the financial statements of the Company

9. Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

10. Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

During the year under review, the Company had invested ₹ 28 crore (CHF 3.61 million) as application money towards equity stake in Favre Leuba AG (FLAG).

The Company had provided Corporate Guarantee of ₹ 66 crore to Titan Holdings International FZCO in two tranches and a Corporate Guarantee of ₹ 7 crore to Titan Global Retail LLC during the year.

11. Integrated Report

The Company has, over the last three years, taken steps to move towards Integrated Reporting in line with its commitment to voluntarily disclose more information to the stakeholders on all aspects of the Company's business. Accordingly, the Company had introduced key content elements of Integrated Reporting <IR> aligned to the International Integrated Reporting Council Framework (IIRC) in the Annual Report of the previous year and has disclosed more qualitative data in the Annual Report of this year. Similar to earlier years, the relevant information has been provided in this year's Annual Report as well.

12. Adequacy of Internal Controls and Compliance with Laws

The Company, during the year has reviewed its Internal Financial Control systems and has continually contributed to establishment of more robust and effective internal financial control framework, prescribed under the ambit of Section 134(5) of the Act. The preparation and presentation of the financial statements is pursuant to the control criteria defined considering the essential components of Internal Control - as stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

The control criteria ensures the orderly and efficient conduct of the Company's business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Controls system that is operating effectively as at 31st March 2021.

There were no instances of fraud which necessitates reporting of material misstatement to the Company's operations.

There has been no communication from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

13. Board Meetings

During the year under review, seven Board meetings were held, details of which are provided in the Corporate Governance Report.

14. Audit Committee and other Board Committees

The details pertaining to the composition of the Audit Committee and its role is included in the Corporate Governance Report, which is a part of this Annual Report. In addition to the Committees mentioned in the Corporate Governance Report, the Company has a Corporate Social Responsibility Committee, the details of which are covered in **Annexure II** to this Report.

15. Risk Management

Pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the "SEBI LODR"), the Company has constituted a Risk Management Committee (RMC), consisting of Board members and senior executives of the Company.

The Company has in place a Risk Management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division.

The top tier of risks for the Company is captured by the operating management after extensive deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts. Based on this framework, a Risk Management policy has been adopted.

The RMC engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives for the major risks of each of the businesses that the Company is into.

The Company has a robust process for managing the top risks, overseen by the Risk Management Committee (RMC) of the Board. As part of this process, the Company has identified the risks with the highest impact and then assigned them a likely probability of occurrence. Mitigation plans for each risk have also been put in place and are reviewed by the Management every six months before presenting to the RMC.

16. Related Party Transactions

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All Related Party Transactions are placed before the Audit Committee and the Board for approval, if required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are verified by the Internal Auditor and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval, if applicable, on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions except to the extent of sitting fees and commission paid to the Directors and to Mr. Bhaskar Bhat to whom the Company pays monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company in the month of September 2019.

The details of the transactions with related parties during the year 2020-21 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

17. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2021, the Company had the following subsidiaries/Associate/Joint Venture:

Sl. No.	Name of the Subsidiary/ Associate/ Joint Venture	Relationship
1	Favre Leuba AG, Switzerland	Subsidiary
2	Titan Watch Company Limited, Hong Kong	Step-down Subsidiary
3	Titan Engineering & Automation Limited	Subsidiary
4	CaratLane Trading Private Limited	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Titan Holdings International FZCO, Dubai	Subsidiary
7	Titan Global Retail LLC, Dubai	Step-down Subsidiary
8	Titan Commodity Trading Limited	Subsidiary
9	StudioC Inc. USA	Step-down Subsidiary

The Company held a 49% equity stake in Montblanc India Retail Private Limited (Montblanc India), a joint venture entered into with Montblanc Services B.V., the Netherlands for operation of retail boutiques in India for Montblanc products. As part of the Company's consolidation strategy to focus on its primary business and proprietary brands, the Company, during the year, took a strategic decision to divest its entire shareholding in Montblanc India to its Joint Venture partner and accordingly the divestment was completed on 12th March 2021 at a consideration of ₹ 43 crore by exercising Put Option under the joint venture agreement. Consequently, the Company has recognised profit on sale of investment amounting to ₹ 4 crore under the head "Other income" during the year ended 31st March 2021.

During the year 2020-21, Favre Leuba AG (FLAG), a wholly owned subsidiary in Switzerland, had registered a turnover of CHF 1.04 million i.e., ₹ 8 crore against the previous year's figures of CHF 0.89 million, i.e. ₹ 6 crore and loss of CHF 7.34 million, i.e. ₹ 58 crore (2019-20: CHF 7.19 million, i.e. ₹ 51 crore). During the year Financial Year 2020- 21, the Company had invested CHF 3.61 million (₹ 28 crore) in FLAG as share application money. During the year, the Company had decided to significantly scale down the operations of FLAG due to the adverse impact on its operations post the COVID-19 pandemic. Consequent to this, the Company performed an impairment testing of its investments in FLAG and made an additional provision of ₹ 137 crore towards impairment of investment in FLAG.

Titan Watch Company Limited is a subsidiary of Favre Leuba AG and hence is a step- down subsidiary of the Company. It has a capital of HK $ 10,000 and no Profit and Loss account has been prepared.

During the year, Titan Engineering & Automation Limited (TEAL) generated income of ₹ 354 crore against the previous year's figures of ₹ 462 crore, a decrease of 24% and the profit before tax was at ₹ 40 crore against the previous year's figures of ₹ 78 crore. The performance of TEAL was substantially hit due to the challenges faced by the Aerospace & Defence and Automation Divisions on account of COVID-19 pandemic. The TEAL Board has recommended a dividend of ₹ 5 per share on the face value of ₹ 10 per share aggregating to ₹ 24 crore (subject to applicable taxes) for Financial Year 2020-21.

CaratLane Trading Private Limited (CaratLane) is engaged in the business of manufacturing of jewellery products and has significant online and offline presence. During the last financial year, CaratLane recorded double digit growth in retail sales, with great emphasis on omni-selling. CaratLane added 25 stores in the year to take the store count to 117. During the year 2020-21, CaratLane registered a turnover of ₹ 716 crore (previous year: ₹ 621 crore) and recorded a profit of ₹ 2 crore for the first time as against the previous year's loss of ₹ 27 crore.

Titan Holdings International FZCO (Titan Holdings) which was formed on 22nd October 2019 as a Free Zone Company with a view to carry out business activities and invest in the share capital of any other companies/entities either as a joint venture partner or as its wholly owned subsidiary company for carrying out business activities. Titan Holdings incurred a loss of AED 0.60 million (₹ 1 crore) against previous year's loss of AED 0.31 million (₹ 0.59 crore).

During the year, Titan Global Retail LLC started its operations through the store opened in Dubai in October 2020 and registered a turnover of AED 19.20 million (₹ 39 crore) and incurred a loss of AED 2.47 million (₹ 5 crore) against previous year's loss of AED 0.41 million (₹ 0.79 crore).

Titan Commodity Trading Limited (TCTL) was incorporated as a Wholly-Owned Subsidiary during the year with the objective of carrying on the business of trading in various commodities and products by acquiring or registering as a member of various commodity exchange/s and to acquire and build technology to facilitate trading, dealing, buying and selling of all types of direct commodities or commodity futures and other precious materials. Subsequently, TCTL is registered as a Trading Member on the Multi Commodity Exchange of India Limited. As of 31st March 2021, the Company had not started operations.

During the year, StudioC Inc. USA was incorporated as a 100% subsidiary of CaratLane, with the objective of retailng of jewellery in North America. However, the Company has not started any operations as of 31st March 2021.

The Company holds 26.79% stake in Green Infra Wind Power Theni Limited which supplies energy to the Company.

None of these subsidiary companies declared a dividend for Financial Year 2020-21 except TEAL.

The annual accounts of these subsidiary companies/JV company were consolidated with the accounts of the Company for Financial Year 2020-21.

18. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in **Annexure-I** to the Board's Report.

19. Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII of the Act and excluding activities undertaken in pursuance of its normal course of business. In addition to the projects specified as CSR activities under Section 135 of Act, the Company has also carried out several other sustainability/responsible business initiatives and projects. The Company has spent the entire 2% of the net profits earmarked for CSR projects during the Financial Year 2020-21. A report on CSR pursuant to Section 135 of the Act and Rules made thereunder is attached in **Annexure-II**.

In line with the amendments to the CSR Rules notified in January 2021, the Company has amended its CSR policy and the same has been uploaded on the website of the Company along with the Action Plan for the CSR activities for Financial Year 2021-22.

20. Annual Return

The link to access the Annual Return is https://www.titancompany.in/sites/default/files/Annual%20Return%20for%202021.pdf

21. Dividend Distribution Policy

The Dividend Distribution Policy, as amended by the Board at its meeting held on 29th April 2021 is annexed as **Annexure-III** to this Report.

22. Vigil Mechanism

The Company has a whistle blower mechanism wherein the employees can approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Insider Trading Code. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event an employee becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concern. No person has been denied access to the Chairman to report any concern. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website at https://www.titancompany.in/sites/default/files/Whistle%20Blower%20Policy_1.pdf.

23. Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with.

24. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company continues to work towards ensuring a safe and secure workplace to all its employees. The Company has matured in its practices and the awareness amongst employees in realizing their rights and responsibilities. Regular internal feedback mechanisms have shown encouraging signs of trust and confidence in the organization by various stakeholders (employees, partners and vendors).

The pandemic situation was an opportunity for the Internal Complaints Committee (ICC) members to adapt to the virtual reality quickly and increase the outreach. All stakeholders across geographies, viz. employees, contract and agency hires, vendors and associates are part of the virtual communication cascades. The regional heads or manufacturing/unit heads along with the leadership team also led the conversations with their respective teams on this subject. This has impacted positively with more and more stakeholders becoming familiar with the policy and gaining confidence to raise concerns with the locational committee members. About 81 such cascades covering over 3,000 stakeholders were held virtually. Other means of communication using short films, quizzes and games were continued to be shared on digital platforms.

During the financial year Financial Year 2020-21, the Company received 4 complaints on sexual harassment, 3 were disposed off with appropriate action taken and 1 complaint was pending as on 31st March 2021 which was disposed off as on the date of this report.

25. Details in Respect of Frauds Reported by Auditors Under Sub-Section (12) of Section 143 other than those which are Reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

26. Corporate Governance and Management Discussion and Analysis

As per SEBI LODR, Management Discussion and Analysis, Corporate Governance Report and Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

Pursuant to Regulation 34 of the SEBI LODR, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the SEBI LODR, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March 2021.

27. Business Responsibility Report

As per SEBI LODR, a Business Responsibility Report is attached and forms part of this Annual Report.

28. Directors and Key Managerial Personnel

Ms. Hema Ravichandar and Ms. Ireena Vittal were Independent Directors during part of the Financial Year 2020-21. Ms. Hema Ravichandar, Independent Director, retired from the Board with effect from 1st August 2020 upon completion of her second term as an Independent Director. Ms. Ireena Vittal resigned from the Board with effect from 1st October 2020 due to her increased pre-occupation with her other professional commitments. The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Ms. Hema Ravichandar and Ms. Ireena Vittal during their tenure as a member of the Board.

Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas and Dr. Mohanasankar Sivaprakasam were the Independent Directors during the entire financial year 2020-21. Ms. Sindhu Gangadharan and Mr. Sandeep Singhal were appointed as Independent Directors during the year. Ms. Sindhu Gangadharan was appointed as an Additional Director and Independent Director on the Board of the Company with effect from 8th June 2020 and subsequently approved by the shareholders at the thirty sixth Annual General Meeting held on 11th August 2020 as an Independent Director for a period of five years from 8th June 2020. Mr. Sandeep Singhal, on the basis of the recommendation of the Board Nomination and Remuneration Committee, was appointed as an Additional Director and Independent Director on the Board of the Company on 11th November 2020 for a period of five years subject to the approval of the shareholders in the ensuing Annual General Meeting.

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Board had, based on the recommendations of the Board Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Ashwani Puri as a Member of the Board and considering that the continued association of Mr. Ashwani Puri would be beneficial to the Company, proposed to re-appoint Mr. Ashwani Puri as an Independent Director of the Company, not liable to retire by rotation, for a second term effective 3rd August 2021 up to 5th May 2026.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. V. Arun Roy retires by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

Subsequent to the end of financial year under review, Tamilnadu Industrial Development Corporation Limited (TIDCO) had withdrawn the nomination of Ms. Kakarla Usha, IAS as its nominee director and nominated Mr. Pankaj Kumar Bansal, IAS in her place. Accordingly, on 16th June 2021, the Board has appointed Mr. Pankaj Kumar Bansal, IAS as an Additional Director, who will hold office as Director up to this AGM and a resolution is placed in the ensuing AGM for his appointment as a director of the Company.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Ms. Usha Kakarla during her tenure as a member of the Board.

Members attention is drawn to Item No. 4 of the Notice for the re-appointment of Mr. V. Arun Roy as a Director of the Company, liable to retire by rotation, Item No.5 of the Notice for the reappointment of Mr. Ashwani Puri as an Independent Director of the Company for the second term, Item No.6 of the Notice for the appointment of Mr. Sandeep Singhal as an Independent Director of the Company for a period of five years from 11th November 2020 and Item No. 7 for appointment of Mr. Pankaj Kumar Bansal, IAS as a Director, liable to retire by rotation.

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

29. Details of Key Managerial Personnel who were Appointed or have Resigned during the year

None of the Key Managerial Personnel were appointed or resigned during the year. Pursuant to the provisions of Section 203 of the Act, Mr. C K Venkataraman-Managing Director, Mr. S. Subramaniam - Chief Financial Officer and Mr. Dinesh Shetty – General Counsel & Company Secretary continue to be the Key Managerial Personnel of the Company.

30. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and operating effectively.

Accordingly, pursuant to the requirements of Section 134 (5) of the Act, the Directors hereby confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Board Evaluation

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Board Nomination and Remuneration Committee (BNRC) and the Board. This was based on questionnaire responses and feedback with each Director. Based on the questionnaire, the performance of every Director was evaluated by the BNRC and presentation was made to the Board and an action plan was drawn accordingly.

Some of the key criteria for performance evaluation, as laid down by the BNRC were as follows:

Performance evaluation of directors:

Contribution at Board/Committee meetings and Guidance/ support to Management outside Board/ Committee Meetings.

Performance evaluation of Board and Committees:

Board structure and composition, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to Committees, Effectiveness of Board Processes, Information and Functioning, Board Culture and Dynamics, Quality of relationship between the Board and Management, Efficacy of communication with External Stakeholders and Committees – strengths and areas of improvement.

32. Independent Directors

A separate meeting of the Independent Directors ("Annual ID Meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the BNRC with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Chairman of the Board.

33. Remuneration Policy

The Board has, on the recommendation of the BNRC, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The link to access the Remuneration Policy is https://www.titancompany.in/sites/default/files/REMUNERATION%20POLICY%20FOR%20DIRECTORS.pdf

34. Policy on Directors' Appointment and Remuneration and other Details

In accordance with the Joint Venture Agreement between the promoters, three Directors each may be nominated by Tata Sons Private Limited and Tamilnadu Industrial Development Corporation Limited.

The guidelines for selection of Independent Directors are as set out below:

The BNRC oversees the Company's nomination process for Independent Directors and in that connection to identify, screen and review individuals qualified to serve as an Independent Director on the Board. The BNRC further has in place a process for selection and the attributes that would be desirable in a candidate and as and when a candidate is shortlisted, the BNRC will make a formal recommendation to the Board.

35. Other Disclosures

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year:

Sl. No.	Name of the director	Ratio (times)	% change[1]
A]	**Director's remuneration**		
1	Mr. N Muruganandam	3.02	-34.00
2	Mr. Arun Roy	3.49	-28.18
3	Ms. Kakarla Usha	2.73	NA[1]
4	Mr. N. N. Tata[2]	NA	NA
5	Mr. Bhaskar Bhat	3.54	NA[1]
6	Ms. Hema Ravichandar[3]	2.17	NA[1]
7	Ms. Ireena Vittal[4]	3.28	NA[1]
8	Mr. Ashwani Puri	5.25	-30.68
9	Mr. B Santhanam	4.79	-20.90
10	Mr. Pradyumna Vyas	3.05	-16.59
11	Dr. Mohanasankar Sivaprakasam	4.26	NA[1]
12	Ms. Sindhu Gangadharan[5]	2.66	NA[1]
13	Mr. Sandeep Singhal[6]	1.21	NA[1]
14	Mr. C K Venkataraman	99.92	NA[1]
B]	**Key Managerial Personnel**		
15	Mr. S Subramaniam	-	1.94
16	Mr. Dinesh Shetty	-	-2.56

Note : Aligning with the performance of the Company for Financial Year 2020-21, the Board approved payment of Commission to the non-executive Directors at 60% of the commission as eligible as per the criteria adopted by the Board.

1 *The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2019-20 or in 2020-21.*

2 *In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non-Executive Director of the Company, as he is in full-time employment with another Tata Group Company*

3 *Ms. Hema Ravichandar ceased to hold office as an Independent Director of the Company with effect from 1st August 2020 upon completion of her second term as approved by the shareholders at the 35th Annual General Meeting of the Company.*

4 *Ms. Ireena Vittal resigned from the Company with effect from 1st October 2020.*

5 *Ms. Sindhu Gangadharan was appointed as an Independent Director on the Board effective 8th June 2020.*

6 *Mr. Sandeep Singhal was appointed as an Additional Independent Director on the Board effective 11th November 2020.*

ii) The percentage increase in the median remuneration of employees in the financial year: No increment was provided for the Financial Year 2020-21 as the sales and profits in Financial Year 2020-21 were projected to be significantly lower than the Financial Year 2019-20 levels due to the COVID-19 pandemic.

iii) The number of permanent employees on the rolls of company: 7,235

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

No increase was given during the previous year thereby there is no comparison with the managerial remuneration.

v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance and engaged workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms that remuneration is as per the Remuneration Policy of the Company.

36. Information as per Rule 5(2) of the Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary.

37. Auditors

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. BSR & Co., LLP have been appointed as Auditors for a term of five years, subject to ratification by the shareholders, from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting.

The Ministry of Corporate Affairs vide Notification dated 7th May 2018 notified several Sections of the Companies (Amendment) Act, 2017. In view of the said notification, the requirement of ratification of appointment of auditors, under Section 139 of the Companies Act, 2013, at each AGM is no longer required. Hence, the resolution to this item is not being included in the Notice to the AGM.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed V. Sreedharan & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure-IV**.

c) Cost Audit

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

38. Auditor's Report and Secretarial Auditor's Report

There are no disqualifications, reservations, adverse remarks or disclaimers in the auditor's report and secretarial auditor's report.

39. Disclosures of Transactions of the Listed Entity with any Person or Entity belonging to the Promoter/Promoter Group which hold(s) 10% or more Shareholding in the Listed Entity, in the format prescribed in the relevant Accounting Standards for Annual Results

Related Party Transactions with Promoter/ Promoter Group holding 10% or more shares

Tamilnadu Industrial Development Corporation Limited and Tata Sons Private Limited hold 10% or more shares in the Company. The details of transactions with promoter/ promoter group holding 10% or more shares have been disclosed in the financial statements which is part of the Annual Report.

Acknowledgements

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, shareholders, lenders, business associates, vendors, customers, media and the employees of the Company.

On behalf of the Board of Directors,

N Muruganandam	**C K Venkataraman**
Chairman	Managing Director
Chennai	Bengaluru

28th June 2021

Annexure- I

[Pursuant to Section 134 of the Act and Rule 8 of the Companies (Accounts) Rules, 2014]

Technology Adoption, Adaptation and Innovation

Watches & Wearables Division

Watches & Wearables Manufacturing has successfully implemented innovations, adopted technologies in the following areas leading to higher productivity, safety, ergonomics, lead time reduction, and improved quality:

- High-speed Slim Series Micro Motors and Light assisted Hands Calibration system for a leading technology company in the USA.
- Implementation of RFID (Radio-Frequency Identification) based asset tracking and monitoring system for the assets at Hosur plant.
- Semi-Automation of Back-Cover Hook Embossing operations for reducing human intervention in these operations of repetitive nature which involves safety control and requires higher accuracy.
- **Robotic Process Automation (RPA) :** Business Process Automation Technology based on AI implemented across many tasks replacing repetitive work reducing 90% of man-hours required for creating master files
- **Persuasive Technology for sourcing and NPD:** This technology helps track and monitor the status of progress at the SKU level.
- **Metal Forming Simulation Using Deform:** The DEFORM system is an engineering software that enables Case Tool designers to simulate metal forming, important to enhance Tool design process capability, reduction in the average number of forming, lower RM consumption, tool life improvement.

Jewellery Division

The Jewellery Division has pioneered and implemented several new technologies in the industry like **3D Wax Printing**, **Computerized Numerical Control**, etc. and is getting equipped to become a **Smart Factory**.

Jewellery manufacturing division has invested in multiple technologies for ensuring Gold and Diamond authenticity.

Innovation

The Jewellery manufacturing division continued to address various business challenges through innovation projects with the help of external as well as internal domain experts. The Total Employee Involvement Scheme has evolved as **IMPACT 2.0** and has continued to attract employee participation with newly designed and developed online portal. Many Kaizen projects and suggestions were implemented by employees to drive improvement across areas. Programs involving vendor partners in driving innovation for process improvements have seen significant progress during the year.

Eyewear Division

At Eyewear manufacturing, the division has successfully implemented innovations, adopted technologies in the following areas leading to higher productivity, safety, ergonomics and improved quality:

- **NEO**, the unique progressive lenses customised to the progressive wearers to enhance their vision comfort and perfectly suit their today's digital life. Crafted with 8 different innovative technologies, starting from variable inset to comfort view, these personalised lenses are available only with Titan, which are formulated and crafted using very high precision CNC machines from the state of the art facilities in-house. Since the launch, contribution of Neo progressive wearers is about 35% by volume of total Rx lenses produced, and there are 88K (Eighty Eight Thousand) happy customers who have experienced and availed the benefits of these innovative designs so far. There are two new innovative lens designs under pilot run, which are being designed to meet the very specific functional requirements like clear and comfort vision during conferences at office, working with gadgets. This will replace conventional reading glasses by use of add on high-tech designs.
- Customer service team has introduced a real time problem solving tool with an innovative platform **"We Connect"** using **IOT** - "We connect" is a platform, which enables virtual interaction between ISCM and retail stores through a pre-planned video conference call to provide real-time resolutions.
- **UV sanitizers -** Designed and manufactured to sanitize spectacles/jewels after every touch to avoid virus transmission.

- **IndiFit frames -** Crafted and launched exclusive collection through extensive study of Indian face and nose anatomy to enhance fit and comfort.
- Developed indigenous vendor sources to eliminate import of steel sheets
- Embellishments in eyewear manufacturing which results in sustainable savings of ₹ 75,00,000 annually.
- Development of product Vendors and Make in India drive for Frames and Sunglass have reached big milestone in FY21.Total of 8 Potential Vendors have been developed and received supply to an extent of 200K. Make in India drive has benefited on Product Cost / Speed to Market.
- **"TITAN WAVE"** an innovative tool has been launched at warehouse for trade channel. It is a real-time IT solution which works with SAP, Warehouse Management System-WMS and Order Management System (OMS) and has features like: 100% Alignment of allocated indents, Soft Blocking of inventory, Credit Limit check, Stock Accuracy, Inventory sink with multiple platforms, SKU BIN management, Live Tracking of Indent Status, Traceability by Unique Serial Number.

Conservation of Energy & Fuel:

Watches & Wearables

The Watches & Wearables Division has successfully implemented various energy and fuel conservation projects with internal expertise and association with external agencies in the areas of air conditioning, lighting, manufacturing process, cooling system, and effluent evaporation systems at its manufacturing facility. During Financial Year 2020-21, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives were:

- During 2020-21, 6.61 million units of energy was sourced from wind energy which represents 91 % of the annual energy consumption. Solar green power generation of 0.22 million units from the rooftop solar system installed at the Company's facility.
- Retrofitting of EC (electronically commutated) fans for the air handling units of air conditioning system implemented in two of the Air Handling Unit systems.
- Chilled water flow optimization through variable frequency drive – chilled water supply based on the demand and optimization of shop floor temperature
- Double Muffle Furnace, with double the capacity of Single Muffle Furnace, with 46% lower power consumption used in annealing of the watch case back covers.

The Watch manufacturing plant at Hosur has been awarded with:

- Green Tech Environmental Management Award-2020 under "Winner".
- CII Environmental Best Practices Award -2020 for its Sludge volute press.
- CII - DRA (Digitalization, Robotics & Automation) National award - Bronze award for the Utility system IIoT implementation.

Jewellery

a. Steps taken for Conservation of Energy

As a step towards achieving 100% Renewable Energy, the manufacturing division has explored several options and is working on the below mentioned possibilities:

- Setting up solar power plant for Hosur and Pantnagar factories
- Engaged with a power purchase agreement with zero investment

b. Sustainability

Jewellery Manufacturing Division has been driving sustainability initiatives successfully under the implementation of **"JSM" (Jewellery Sustainability Mission)**. The implementation of **ultra-filtered recycled water** for toilet flushing has significantly reused the available water. The wastes generated by the factory is reused as organic manure for the landscaping. The Pantnagar Factory has conducted a plantation drive and planted **10,000 trees on a single day**. Also, **Medicinal & Herbal Miyawaki forest** has been established in the Hosur factory to increase the green cover.

Eyewear

The Division has put many efforts to conserve energy in all possible ways. Among them, solar power project on rooftop has been initiated with 361KW capacity under lease model. Installation will be done in Financial Year 2021-22 and there will be energy savings of 500K units/ Year and reduction in carbon foot print by 40 Ton/ Year.

Sustainability

- The integrated eyewear manufacturing factory located at Chikkaballapur has been awarded with Gold award under International Green Manufacturing Challenges assessed by IRIM (International Research Institute for Manufacturing)
- **Recycle & Reuse -** Scrap corrugated packing waste has been recycled to make carry bags for retail use
- **Bio based material -** Use of bio-based polymer from Castor seeds in making a complete frame collection.

  Transformation to Economy & Eco-friendly Packing Cases: Have developed economical packing cases for Frames & Sunglass with Recyclable Material : reducing cost by 50%. Total quantity of eco friendly packing procured during 2020-21 is 5,00,000.

Expenditure on Research & Development

(₹ crore)

	Year Ended 31.3.2021	Year Ended 31.3.2020
a) Capital	1.89	2.44
b) Recurring	19.74	21.52
c) Total	21.63	23.97
d) Total R & D expenditure as percentage of turnover	0.10%	0.12%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 111 crore in foreign exchange and spent ₹ 363 crore.

On behalf of the Board of Directors,

N Muruganandam
Chairman
Chennai

C K Venkataraman
Managing Director
Bengaluru

28th June 2021

Annexure- II

Annual Report on CSR – 2020-21

Since inception, your Company has been a responsible corporation, always working to improve the quality of life of the community in general and specifically in communities present in the Company's areas of operation.

Your Company has charted out its programs and projects that impact the community both in the short term as well as in the long term. As part of its strategy, your Company will continue to support programs that have been in place historically while realigning and sharpening its focus towards the areas mentioned in the CSR policy.

During the year 2020-21, the CSR programs have reached out to 4.66 lakh individuals. These include the impact that has been created through interventions pertaining to the COVID-19 pandemic. Further, 33.24 lakh individuals / migrants were benefitted by the Company's exclusive program titled Mission Gaurav with the Tata Trusts in four states. Therefore, the reach has been in excess of 37.90 lakh individuals during the year 2020-21.

Key highlights for the year have been:

a) Deep engagement towards the community during the pandemic times through both organisational and community support across the country

b) The large scale introduction of technology for both reach and impact in most of the CSR programs in the areas of education and skilling, the biggest being the introduction of Mindspark, a technology-driven initiative for the girl child education

c) Launch of Design Impact Movement for Social Change

d) Launch of Vision Care Centre in two locations in Karnataka and Tamil Nadu

e) Adoption of the Tribal ITI for holistic development in Tamil Nadu as part of Affirmative Action, through a formal Memorandum of Understanding with Government of Tamil Nadu

f) Completion and hand over of 8 large water and sanitation projects in Uttarakhand

All other programs continue as per plans.

Based on the progress made so far, the Company has already exceeded the internal targets set out up to the year 2023 in terms of reach.

The reach has been classified into three categories, viz

a) those that would create a direct or a transformational impact (example: A girl child educated)

b) those which are a result of primary reach and that creates deep impact (example: A Teacher trained) and

c) those that reach out to individuals for a shorter period, in terms of "touch" (example screening of the underprivileged for eye care).

In line with the requirements of the Companies Act, 2013 a brief statement on the impact assessment has been included for the year 2019-20 for projects that had spends in excess of ₹ 1 crore during that year.

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all locations over the years. During the year 2020-21, the Company clocked more than 4,000 person-hours of volunteering involving employees across the Company either in CSR projects or in local causes.

From the year 2021-22, your Company will spend considerable time and resources in taking forward its strategic plans on scaling up existing projects, and on working towards creating deeper impact across all its chosen areas as part of its Policy. It will also focus on restoration of all programs to pre-COVID-19 levels of significance and also enhance efforts to monitor and report impact.

The Company's CSR Policy can be accessed at:

https://www.titancompany.in/sites/default/files/CSR%20Policy%20%20Titan%20Company%20Limited_n.pdf

I. Composition of CSR Committee:

1. Mr. Pradyumna Vyas - Chairman and Independent Director
2. Mr. V. Arun Roy - Non-Executive Director
3. Dr. Mohanasankar Sivaprakasam - Independent Director
4. Mr. C K Venkataraman - Managing Director

II. The average net profits of the Company in three preceding financial years for the purpose of computation of CSR expenditure is ₹ 1,862.85 crore

III. Mandated CSR expenditure (2% of II above) is ₹ 37.26 crore

IV. Details of the amount spent during the financial year:

1. Total amount spent in the financial year - ₹ 37.55 crore
2. Amount unspent Nil
3. Manner of spending – Refer Annexure

V. The Board CSR Committee of Titan Company Limited hereby declares that the implementation and monitoring of the CSR Projects is in compliance with the CSR Objectives and Policy of the Company.

C K Venkataraman Managing Director	**Pradyumna Vyas** Chairman Board CSR Committee

29th April 2021

Annexure to Annexure II

1 Brief outline on CSR Policy of the Company

The CSR policy of the Company focuses on education, especially the education of the underprivileged girl child, skill development for the underprivileged and support for Arts, Crafts and Indian Heritage. While most programs will have a large focus on the girl child, the Company will also make all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with Disabilities. Being a pan-India organization, the Company will continue supporting local causes that are important to the communities with which it operates, including issues that are of national importance.

2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Arun Roy	Non-Executive, Non-Independent	2	1
2	Mr. Pradyumna Vyas	Non-Executive, Independent	2	2
3	Dr. Mohanasankar Sivaprakasam *	Non-Executive, Independent	2	1
4	Mr. C K Venkataraman	Managing Director	2	2
5	Ms. Hema Ravichandar #	Non-Executive, Independent	2	1
6	Ms. Ireena Vittal @	Non-Executive, Independent	2	1

** Dr. Mohanasankar Sivaprakasam was appointed on the CSR Committee effective from 8th June 2020.*

 # Consequent upon her cessation effective 1st August 2020, Ms. Hema Ravichandar ceased to be a member of the Committee.

@ Consequent upon her resignation effective 1st October 2020, Ms. Ireena Vittal ceased to be a member of the Committee.

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

CSR Committee Composition:
https://www.titancompany.in/sites/all/themes/titancorporate/assets/Committee_Membership_of_Directors.pdf

CSR Policy:
https://www.titancompany.in/sites/default/files/CSR%20Policy%20-%20Titan%20Company%20Limited_n.pdf

CSR Projects:
https://www.titancompany.in/sites/all/themes/titancorporate/assets/Excerpts-of-CSR-Projects-for-FY-2021.pdf

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

The Company has been conducting internal assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and has initiated steps to conduct impact assessment of CSR projects. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in Financial Year 2020-21.

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Cr)	Amount required to be setoff for the financial year, if any (₹ in Cr)
1	2019-2020	Nil	Nil
2	2018-2019	Nil	Nil
3	2017-2018	Nil	Nil
	TOTAL	**Nil**	**Nil**

6	Average net profit of the company as per section 135(5)		₹ 1862.85 Cr
7	(a)	Two percent of average net profit of the company as per section 135(5)	₹ 37.26 Cr
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(c)	Amount required to be set off for the financial year,if any	Nil
	(d)	**Total CSR obligation for the financial year (7a+7b-7c)**	**₹ 37.26 Cr**

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Cr)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37.55	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial Year (₹ in Cr)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Cr)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												
TOTAL												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Titan Kanya - Academic support. Various centre in Government Schools	ii	No	Tamil Nadu	Krishnagiri and Tiruvannamalai	3.08	No	K C Mahindra Education Trust	Applicable for CSR activities undertaken with effect from April 1, 2021. Registrations are in process.
2	Titan Kanya - Education support for disadvantaged Girls (upto learning level 5)	ii	No	Uttarakhand, West Bengal, and Uttar Pradesh	Kanpur Dehat, Kanpur Nagar, Kheri, Mirzapur, Prayagraj, Saharanpur, Dehradun, Haridwar, Tehri Garhwal, Udham Singh Nagara, Uttarkashi, Murshidabad	3.67	No	IIMPACT	
3	Multi thematic approach (Health/Education/ Livelihoods)	i,ii,iv	No	Tamil Nadu	Cuddalore	2.63	No	CARE India	
4	Multi thematic approach (Health/Education/ Livelihoods)	i,ii,iv	No	Karnataka	Yadgir	0.90	No	Kalike	
5	Science education in Kanya schools	ii	No	Tamil Nadu	Krishnagiri	0.34	No	Agastya International Foundation	
6	Teacher Training Program	ii	No	Tamil Nadu	Krishnagiri	0.60	No	Agastya International Foundation	
7	Support towards creating Civic awareness among children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.20	No	Children's Movement for Civic Awareness	
8	Scholarship for need and meritorious students in Tamil Nadu & Uttarakhand	ii	No	Tamil Nadu and Uttarakhand	Krishnagiri and various district of Uttarakhand	0.27	No	Direct implementation	
9	Education support for Tribal children and youth as part of Affirmative Action	ii	No	Karnataka	Mysore	0.46	No	Swami Vivekananda Youth Movement (SVYM)	

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
10	Scholarship for Tribal Children	ii	No	Tamil Nadu	Krishnagiri	0.05	No	Sri Ramakrishna Seva Ashrama	
11	Skill development at Titan LeAP skilling Center (Hub & Spoke Model)	ii	No	Tamil Nadu, Karnataka, Andhra Pradesh	Chennai, Chengalpet, Coimbatore, Kanchipuram, Kanyakumari, Madurai, Salem, Sivakasi, Sivagangai, Tenkasi, Tiruppur, Tirunelveli, Tiruvannamalai, Vellore, Virudhunagar, Bengaluru, Ananthpur	2.31	No	Naandi Foundation, Mitraz Foundation, SAFAL	
12	Teacher Training - Mysore, Karnataka	ii	No	Karnataka	Mysore	0.45	No	Swami Vivekananda Youth Movement	
13	Employability skill development For Engineering students	ii	No	Tamil Nadu	Ariyalur, Coimbatore, Cuddalore, Dindigul, Kanchipuram, Kanyakumari, Madurai, Nagapattinam, Ramanathapuram, Tanjore, Tuticorin, Tiruvannamalai, Trichy, Vilupuram	0.69	No	Naandi Foundation	Applicable for CSR activities undertaken with effect from April 1, 2021. Registrations are in process.
14	Employability skill development For ITI students	ii	No	Tamil Nadu	Ariyalur, Coimbatore, Cuddalore, Erode, Kallakurichi, Karur, Krishnagiri, Nagapattinam, Namakkal, Nilgiris, Pudukottai, Salem, Tanjore, Tiruvarur, Tirupur, Tiruvannamalai, Trichy, Villupuram	0.25	No	Naandi Foundation	
15	Rehabilitation / Skilling / Placement of underprivileged disabled youth	ii	No	Karnataka	Bengaluru, Dharwad, Chitradurga, Gadag, Belgaum,	1.00	No	Association of People with Disability	

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
16	Livelihood and entrepreneurship development for women	x	No	Tamil Nadu	Tiruvannamalai	0.13	No	Reviving Green Revolution Cell	Applicable for CSR activities undertaken with effect from April 1, 2021. Registrations are in process.
17	Adoption and support to Government Tribal ITIs	ii	No	Tamil Nadu	Namakkal, Salem, Tiruvannamalai, Coimbatore, Nilgiris	0.30	Yes	IMC	
18	Building entrepreneurship skills for trafficked women	ii	No	West Bengal	Murshidabad	0.14	No	Anudip Foundation	
19	Project Tana Bana - First time ever, reaching out to create women weavers and impacting around 30 families	v	No	Uttar Pradesh	Varanasi	0.14	No	Human Welfare Organization	
20	Support for 600+ women weavers across North Karnataka	v	No	Karnataka	Shimoga	0.16	No	Charkha	
21	Creating a platform to connect craftspersons with market (The Shilp Route)	v	No	Pan India	Various districts	0.12	No	SVP Philanthropy Foundation	
22	Transforming Crafts, an initiative of Tata Trusts for rekindling Indian Handloom Sector	v	No	Orissa, Assam, Nagaland, Andhra Pradesh	Various districts	0.63	No	Tata Education and Development Trust	
23	Program recognizing design thinking in product design that enable social change	i, ii & iv	No	Pan India	Various districts	0.85	No	Foundation for Innovation and Social Entrepreneurship	
24	Design Impact Movement	i, ii & iv	No	Pan India	Various districts	0.75	No	Research and Extension Association for Conservation Horticulture and AgroForestry	

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
25	Integrated Village Development Program (Uttarakhand)	i, ii & iv	No	Uttarakhand	Tehri Garhwal	0.50	No	Himmotthan Society	
26	Watershed - Himmotthan	i, ii & iv	No	Uttarakhand	Tehri Garhwal	1.10	No	Himmotthan Society	
27	Watershed programs for livelihood	i, ii & iv	No	Tamil Nadu	Cuddalore	0.53	No	National Agro Foundation	
28	Happy Eyes Program - Comprehensive Eye care including support to Cataract and glasses for under privileged	i	No	Karnataka, Tamil Nadu, Bihar	Yadgir, Raichur, Gulbarga, Kolar, Chamarajnagar, Shimoga, Cuddalore, Mandya, Saran, Coimbatore and Salem	1.26	No	Sankara Eye Foundation	
29	Happy Eyes Program - Mobile Rural Vision Screening Program (MRVP)	i	No	Karnataka	Bengaluru	0.13	No	Sankara Eye Foundation	Applicable for CSR activities undertaken with effect from April 1, 2021. Registrations are in process.
30	Prevention of Substance abuse among youth in schools	ii	No	Sikkim	Various districts	0.70	No	SAATHI	
31	Neighbourhood initiatives as a responsible Corporate citizen	i,ii,iv	No	Pan India	Various districts	0.80	No	Various Organisations with Bengaluru Indiranagar Rotary Trust, St. Jude India ChildCare Centres and Aim for Seva	
32	COVID-19 response across the country	i	No	Rajasthan, Chhattisgarh, Jharkhand, Orissa, Karnataka, Maharashtra and Sikkim	Various districts	12.36	No	Tata Education and Development Trust and other organisations	
		Total				**37.51**			

(d)	Amount spent in Administrative Overheads (₹ in Cr)	0.04
(e)	Amount spent on Impact Assessment, if applicable	Nil
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 37.55 crore
(g)	Excess amount for set off, if any	Nil

Sl. No.	Particular	Amount (₹ in Cr)
(i)	Two percent of average net profit of the company as per section 135(5)	37.26
(ii)	Total amount spent for the Financial Year	37.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Cr)	Amount spent in the reporting Financial Year (₹ in Cr)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Cr)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-2020	Nil	Nil	Not Applicable		Not Applicable	Nil
2	2018-2019	Nil	Nil	Not Applicable		Not Applicable	Nil
3	2017-2018	Nil	Nil	Not Applicable		Not Applicable	Nil
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Cr)	Amount spent on the project in the reporting Financial Year (₹ in Cr)	Cumulative amount spent at the end of reporting Financial Year (₹ in Cr)	Status of the project - Completed/ Ongoing
	Total				Not Applicable			

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

	(asset-wise details)	
(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

Pradyumna Vyas
Chairman
Board CSR Committee

C K Venkataraman
Managing Director

Annexure- III

DIVIDEND DISTRIBUTION POLICY*

SCOPE AND PURPOSE

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been adopted by the Company.

OBJECTIVE

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e., 4th November 2016

KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, if any;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Dividend Range:

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take

**Amended as on 29th April 2021*

into account optimal shareholder return. The Company would endeavour to target a total dividend pay-out ratio in the range of 25% to 40% of the Annual Standalone Profits after Tax (PAT) of the Company.

Parameters adopted with regard to various classes of shares:

Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 1 each and Preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises only of equity shares.

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Procedure:

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations.

General:

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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Annexure- IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2021

To,
The Members
Titan Company Limited
3, SIPCOT Industrial Complex
Hosur - 635126

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Titan Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2021 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**; and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other Laws Applicable to the Company namely:

a. Industries (Development & Regulation) Act, 1951
b. The Factories Act, 1948
c. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
d. The Apprentices Act, 1961
e. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
f. The Employees State Insurance Act, 1948
g. The Workmen's Compensation Act, 1923
h. The Maternity Benefits Act, 1961
i. The Payment of Gratuity Act, 1972
j. The Payment of Bonus Act, 1965
k. The Industrial Disputes Act, 1947
l. The Trade Unions Act, 1926
m. The Payment of Wages Act, 1936
n. The Minimum Wages Act, 1948
o. The Child Labour (Regulation & Abolition) Act, 1970
p. The Contract Labour (Regulation & Abolition) Act, 1970
q. The Industrial Employment (Standing Orders) Act, 1946
r. Equal Remuneration Act, 1976
s. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
u. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
v. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
w. Dangerous Machines (Regulation) Act, 1983
x. Indian Boilers Act, 1923
y. The Karnataka Shops & Establishments Act, 1961
z. The Industrial Establishments (National and Festival Holidays) Act, 1963
aa. The Labour Welfare Fund Act, 1965
bb. The Karnataka Daily Wage Employees Welfare Act, 2012
cc. The Environment Protection Act, 1986
dd. The Water (Prevention & Control of Pollution) Act, 1974
ee. The Water (Prevention & Control of Pollution) Cess Act, 1977
ff. The Air (Prevention & Control of Pollution) Act, 1981
gg. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
hh. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
ii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
jj. The Competition Act, 2002
kk. The Indian Contract Act, 1872
ll. The Sales of Goods Act, 1930

mm. The Forward Contracts (Regulation) Act, 1952
nn. The Indian Stamp Act, 1899
oo. The Transfer of Property Act, 1882
pp. Indian Explosives Act, 1884
qq. Legal Metrology Act, 2009
rr. Electricity Act, 2003
ss. Information Technology Act, 2000

We have been informed by the Company that there is no law specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking shorter notices to the Board and committee meetings, obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

There was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number: F007260C000198101
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 29, 2021

'Annexure'

To,
The Members
Titan Company Limited
3 SIPCOT Industrial Complex
Hosur - 635126

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number: F007260C000198101
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 29, 2021

Management Discussion and Analysis

Performance during the year 2020-21

The financial year 2020-21 was the most challenging year for the corporate world in living memory. In one sense, it was even more challenging for the Company, given the kind of products it makes, which are by and large discretionary in nature. However, some other factors kicked in and helped deliver an exceptional sales and financial performance for the year.

- The store-of-value aspect of the jewellery category as well as its share of wallet gained from within the wedding spends and other categories like travel
- The substantial innovation capability of Titan that accelerated significantly and drove up desire for all products even in these times
- The PhyGital capability of Titan that combined deep and extensive understanding of customers, their needs and preferences and used the relationships with the Company's 15,000+ sales staff to connect one-on-one
- The obsessive focus on 'total-safety-in-the-store' that eliminated customer anxiety about shopping
- A slew of digital initiatives that helped the Company leapfrog
- The impressive war-on-waste programme and the asset management effort that helped exceed profit and cash targets handsomely
- The deep commitment of all Titanians and all retail, distribution and vendor partners

As a result of all these, all the businesses did better than plan and also laid the foundations for a very good Financial Year 2021-22. Unfortunately, the second wave of COVID-19 struck in April 2021 and created a temporary setback to the operations of the Company.

WATCHES & WEARABLES DIVISION

Watches

The Management is convinced that the opportunity for "Watch as an Accessory" is timeless and is committed to capitalize on it. While the investment in design and new product development has happened consistently over the last 3-4 years, considerable focus is now being given to re-imagining the World of Titan channel, transformation of the Multi-Brand watch outlet, marketing communication investments and ratcheting up the omni-channel play.

The very good work done through the War-on-Waste programme is also being continued.

Wearables

The Company significantly increased its capability for this domain through the acquisition of HUG Innovations in Financial Year 2019-20, while simultaneously improving its product and app design capabilities as well. The result is a steady pipeline of exciting new products, services and ecosystems starting as early as in 2021. Reflex 3, the Fastrack wrist band launched in February 2021 on the Company's own proprietary platform, is a sign of things to come.

The Management is confident that Titan will establish itself as a prominent player in the Wearables market within the next 18 months through its product/service/ecosystem efforts as well as the distribution expansion into mobile phone outlets and considerable marketing investments.

International Business

The recovery of the Watches category in Titan's international market has been a bit slow. But, the newly created business division (now 2 years old) is focusing on the intrinsic opportunity for the Company's brands and is currently building a customer-up strategy for growing in sales, profits and prestige in the next 5 years and a good addition to the domestic Watches and Wearables business.

JEWELLERY DIVISION

The opportunity for the Jewellery Division during Financial Year 2022-23 as well as in the medium term is excellent. Apart from the low market share and the increasing competitive advantage and brand preference, the Division is continuing to push many levers for growth. Multi-pronged efforts within the wedding market (including a new Engagement Rings focus), a "Many Indias" programme to increase state-level relevance, keeping the momentum behind the Gold Exchange and Golden Harvest opportunities, keeping the "Middle India" network expansion effort going.

The Zoya and Mia brands will also be riding firm on the momentum generated during Financial Year 2021-22 towards their exciting future.

The Division has also created a well-oiled process to keep the total inventory and capital employed in check, which has become embedded and sustainable.

CaratLane has had a scorching growth in Financial Year 2021-22 and reported a profit for the first time. The powerful omni-channel approach, very high technology capability, innovative product lines and the new-age employee culture have combined exceptionally well. The Company is very confident that CaratLane has all the ingredients for creating history and substantial stakeholder value in the next few years.

Responsible Sourcing - Progressing definitively towards a sustainable future:

a) A robust rollout of a formal 'Responsible Sourcing' program to all vendors, to upgrade their units to the "Standard" level (Cottage, Basic, Standard and World Class, being the 4 increasing levels of evolution) across People, Process, Place and Planet parameters.

b) Very good progress achieved on the integrated 3-year program for diamond sourcing, ensuring pipeline integrity by eliminating any mixing up of synthetics, and sourcing stones from sight holders / international mines having the right labour practices and conditions in their supply chains.

c) 100% of fresh gold procured from banks is London Bullion Market Association (LBMA) certified ensuring highest purity, quality and mined from ethical sources. The rest of the gold is recycled exchanged gold from customers.

A revised and formal Titan Supplier Engagement Protocol (TSEP ver 2.0) was also rolled out to all suppliers on these counts.

International Business

The much-awaited launch of Tanishq in Dubai has been very successful, with customers giving a big thumbs-up for the excellent products and collections, the exquisite store and the superlative customer experience. The expansion into more stores in the UAE and the GCC countries is on the cards. The NRI/PIO jewellery opportunity is very large and the Company is committed to making this a meaningful part of its portfolio in the next 5 years.

EYEWEAR DIVISION

The Eyewear Division transformed itself during Financial Year 2021-22 by unlocking substantial value from its operations: discount reduction, channel-mix improvement, product-mix improvement, in-house production enhancement, store and lab closures, other fixed cost management, all of these have contributed to a new platform of profitability that is quite sustainable. The Division is now all poised to grow in sales in the medium term and leverage this foundation.

The Division has also worked substantially on product innovations in lenses (Antifog, Clearsight, Neo progressives) and frames (Indifit, Signature, Glam, etc.) as well as channels (Ecolight low cost stores), all of which significantly improved the Division's competitive advantage.

The overall opportunity in this market is vast on account of three things. The low market share that the Division has, the millions of people in the country with unaddressed refractive error and the new lifestyle (excessive screen time) that is accelerating the need for vision correction among the youth.

FRAGRANCE DIVISION

The Division has succeeded in creating a wide range of "Exceptional Quality, Affordable Price" Eau de Parfum variants: 'Tales' at ₹ 1595 to 'Amalfi Bleu' at ₹ 2495 and many in between, and through this created a broad aspirational category for millions of aspiring Indians who find international choices out of their reach. This platform will come in very handy in the next few years as India's per capita GDP jumps significantly making this business start contributing meaningfully to the Company's revenues and profits.

INDIAN DRESS WEAR DIVISION

Ethnic Wear

The market for sarees is very large. While lifestyle changes are influencing the frequency of saree wearing, the opportunity for special occasion sarees, where the Company has chosen to play, is significant and growing. The Division has succeeded in establishing a very strong customer value proposition, a systematic product and store assortment creation process, a healthy gross contribution profile and a unique and special store experience. The next couple of years will see the Division scale up its efforts in network expansion and franchising as well as building a good sourcing and supply chain foundation. The huge advantage that this Division has is the ready member base of the Company's Encircle loyalty program and the franchise network.

DESIGN EXCELLENCE CENTRE

Without doubt, Design is at the centre of the Company's competitive advantage. The manufacturing backbone then takes over and delivers finely engineered products with exceptional detailing with very high performance parameters and durability. This overall approach has helped the Company become a category expert in every business it is into.

The Design strategy at Titan systematically and seamlessly blends consumer insights, deep design stories, the right aesthetics and fine ergonomics to convert the best of materials into lifestyle products of sophisticated style and exquisite beauty.

DIGITAL

The Company started investing in digital about five years back, in CRM, Analytics, e-commerce and m-commerce technologies. Through Financial Year 2020-21, a transformation took place resulting in a wholesale embracing of all these technologies by all employees and the willingness of customers to try new ways of engagement with the Company. The combined effect of these was an explosive growth in sales through new ways: video calling, try-at-home, appointment shopping, omni channel, chatbots, endless aisle, etc.

Apart from these, multiple Company processes have seen the effect of various Digital interventions that have ended up reducing costs, improving speed, and increasing accuracy: Artificial Intelligence in Design, Industrial Internet of Things in gold plating, Robotic Process Automation in invoice processing, Persuasive Technology in sales force management and many more.

HUMAN RESOURCES (HR)

The Company had 7,235 employees on rolls of which 1,917 were women as on 31st March 2021. Of the total head-count, 3,036 employees were engaged in manufacturing, 3,213 in retail and 986 in corporate and support functions. Of the total base, 150 employees are differently abled.

Employee Safety: The Company's approach to dealing with the unprecedented change the pandemic brought was steeped in the core value of Unconditional Positive Regard for People. The first and foremost step to deal with the pandemic also was to ensure that all employees in every part of the organization were safe and healthy. People over business is the approach that was adopted, be it in regards to resumption of services, opening of stores or people coming back to work. Utmost care and precaution was taken when resuming services. Leading by example is the other principle followed. From working from home when it was prescribed to following the social distancing norms once offices resumed, leaders walked the talk.

Employee Development: The last year has accelerated the adoption of technology and automation by leaps and bounds. In adopting digital media to attract and converting new consumers as well as connect with loyal customers, the Company has made a big shift. On the employees' front, this has translated to developing new capabilities on digital quotient such as online marketing, phygital selling, virtual customer connect. For non-retail and manufacturing employees, plethora of programs were introduced on digital platforms enabling self-paced and bite-sized learning.

Employee Connect & Employee Wellness

A big area of impact for HR in the year has been the positive shift created in employee experience. Holistic approach to Wellness: Will It, Well It, a wellness program, was introduced in Financial Year 2020-21; which saw organization-wide participation in the offerings of the program. The programs offered covered all aspects of wellness: physical, mental and financial.

RISKS AND CONCERNS

The Company has a robust process for managing the top risks, overseen by the Risk Management Committee (RMC) of the Board. As part of this process, the Company has identified the risks with the highest impact and then assigned them a likely probability of occurrence. Mitigation plans for each risk have also been put in place and are reviewed by the Management every six months before presenting to the RMC.

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These risk types span Technological, Geo-political and Regulatory. To illustrate:

Technological: Disruption in operations due to cyber-attacks or hardware/software failure; Impact of Wearables technology on the Watch category

Geo-political: Dependence of the Watches & Wearables division on China as a source

Regulatory: Compliance needs and challenges in the Jewellery industry

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company during the year has reviewed its Internal Financial Control (IFC) systems and has continually contributed to establishment of a more robust and effective IFC framework, prescribed under the ambit of Section 134(5) of Companies Act, 2013. The preparation and presentation of the financial statements is pursuant to the control criteria defined considering the essential components of Internal Control – as stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

The control criteria ensures the orderly and efficient conduct of the Company's business, including adherence to its 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.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has an adequate Internal Financial Controls system that is operating effectively as at 31st March 2021.

The Company has a robust internal audit function consisting of professionally qualified chartered accountants who cover the business operations as well as support functions and provide quarterly reports to the Audit Committee.

SEGMENT WISE PERFORMANCE

(₹ in crore)

Segment Revenue	Year Ended 31st March 2021 (Audited)	Year Ended 31st March 2020 (Audited)
Net Sales/Income from Operations		
Watches	1,580	2,616
Jewellery	18,631	16,738
Eyewear	375	544
Others	98	171
Corporate (Unallocated)	99	87
Total	**20,783**	**20,156**

(₹ in crore)

	Year Ended 31st March 2021 (Audited)	Year Ended 31st March 2020 (Audited)
Profit/(Loss) from segments before finance costs and taxes and after share of profit/(losses) of associate		
Watches	(65)	365
Jewellery	1,686	2,061
Eyewear	23	(14)
Others	(45)	(58)
Total	**1,599**	**2,354**
Less: Finance costs	181	149
Corporate (unallocated)	(185)	(100)
Profit before taxes	**1,233**	**2,105**

(₹ in crore)

Capital Employed	Year Ended 31st March 2021 (Audited)	Year Ended 31st March 2020 (Audited)
Watches	1,254	1,368
Jewellery	1,516	3,776
Eyewear	193	261
Others	80	126
Corporate (unallocated)	4,510	1,294
Total	**7,553**	6,825

HOW THE COMPANY FARED

Some of the key financial indicators are as below:

	FY 2020-21	FY 2019-20	FY 2018-19
Sales to Net fixed assets (No. of times)	20	18	18
Sales to Debtors (No. of times)*	71	93	53
Sales to Inventory (No. of times)	3	3	3
Retained Earnings - Rupees in crore	4,279	3,758	2,876
Return on Capital Employed (EBIT)	22%	35%	36%
Return on Net worth*	12%	23%	24%
Interest Coverage Ratio*	57	143	1,198
Current Ratio	2	2	2
Debt equity ratio	NA	0.09	NA
Operating Profit Margin %*	7%	11%	10%
Net Profit Margin	**4%**	**8%**	**7%**

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the year, following are the key financial ratios of the Company where there was a change of 25% or more as compared to the immediate previous financial year

	FY 2020-21	FY 2019-20	% change
Interest Coverage Ratio*	57	143	-60
Operating Profit Margin*	7%	11%	-37
Net Profit Margin*	**4%**	**7%**	**-41**

CHANGE IN RETURN ON NET WORTH

The details of change in Return on Net Worth of the Company as compared to the previous year is given below:

Ratios	FY 2020-21	FY 2019-20	% change
Return on Net worth*	12%	23%	-48

** Note: With the declaration of the COVID-19 as a pandemic in mid-March 2020, the performance of various Divisions were affected due to store closures consequent upon declaration of national lockdown by the Government. This has resulted in the profit before tax being lower by 41%, which in turn impacted the respective ratios having a variance of more than 25%*

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (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.

OUTLOOK FOR FY 2021-22

At an overall level, the circumstances of FY 2021-22 are somewhat better than FY 2020-21.

- The economic circumstances of the Company's customers (the Upper Middle Class) are expected to be as good as in FY 2021-22 or perhaps even better, given that virtually all companies are giving out raises to their employees, with its cascading effects on other segments of the population
- The rural economy is also likely to be good, given the rains that we have had, and it will also have its cascading positive effect on other consuming segments
- During FY 2020-21, the brands of the Company have improved their competitive positions in each of the categories they operate in
- The Management of the Company has emerged intellectually and emotionally stronger and is going into FY 2021-22 with a set of proven initiatives for customer acquisition, cost and cash management as well as a well-developed agility

It is based on this understanding that the business plans for FY 2021-22 were made with a high level of ambition and substantial excitement and passion. The second wave of COVID-19 has come and caused a setback to those plans, but without taking away the medium-term opportunities and the advantages that those plans represented. Also, by September 2021, much of the country is likely to be vaccinated, paving the way for some kind of normalcy.

The Management is approaching the new FY 2021-22 with the same calmness and composure like in FY 2020-21 and is confident that it will be able to overcome all the challenges that come its way.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which it operates, changes in the Government regulations, tax laws and other statutes, any epidemic or pandemic, natural calamities over which we do not have any direct/indirect control.

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Corporate Governance Report

The report on Corporate Governance is pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"). The Company has complied with the applicable requirements of the SEBI LODR and amendments thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance philosophy of Titan Company Limited ("the Company" or "Titan" or "We" or "Our") is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Titan strongly believes that a company can emerge as a strong leader only by following good and sound Corporate Governance principles. Good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions, thus maximising long- term stakeholder value without compromising on integrity, societal obligations, environment and regulatory compliances. Effective corporate governance practices constitute the strong foundation, on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Company's corporate governance philosophy has been further strengthened through the Tata Code of Conduct and Codes of Fair Disclosure and Conduct. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees and is supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to the said Code. Overall, the Company's corporate governance practices are a reflection of its value system encompassing its culture, policies, and relationships with its stakeholders.

As a Company with a strong sense of values and commitment, your Company understands that Corporate Governance is not just a destination, but also a journey to constantly improve sustainable value creation. The Company has over the years, followed best practices of Corporate Governance. The Company's overall governance framework, systems and processes reflect and support our Mission, Vision and Values. The vision of the Company: **"To create elevating experiences for the people we touch and significantly impact the world we work in"** underpins the Corporate Governance philosophy.

2. BOARD OF DIRECTORS

Titan is promoted by the Tamilnadu Industrial Development Corporation Limited (TIDCO) and the Tata Group. As on 31st March 2021, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director. The profiles of Directors can be accessed on the Company's website at https://www.titancompany.in/investors/investor-information/board of-directors

The composition of the Board of Directors as at 31st March 2021 was as follows:

Category	Name of Director	No. of Directors
Nominee Directors of TIDCO (Non-Executive, Non-Independent)	Mr. N Muruganandam	3
	Mr. V Arun Roy	
	Ms. Kakarla Usha	
Nominee Directors of Tata Group (Non-Executive, Non-Independent).	Mr. N N Tata	2
	Mr. Bhaskar Bhat	
(Executive, Non-Independent)	Mr. C. K. Venkataraman	1
Other Directors (Non-Executive, Independent)	Mr. Ashwani Puri	6
	Mr. B Santhanam	
	Mr. Pradyumna Vyas	
	Dr. Mohanasankar Sivaprakasam	
	Ms. Sindhu Gangadharan[1]	
	Mr. Sandeep Singhal[2]	
Total		**12**

1 *Ms. Sindhu Gangadharan was appointed on the Board effective 8th June 2020 and her appointment was approved by the Shareholders at the 36th Annual General Meeting of the Company held on 11th August 2020.*

2 *Mr. Sandeep Singhal was appointed on the Board effective 11th November 2020 as an Additional Independent Director subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.*

During the year, the Company had a Non-Executive Chairman, nominees of the Promoter and half of the total strength of the Board of Directors were independent. The composition of the Board is in conformity with Regulation 17 of the SEBI LODR read with Section 149 of the Companies Act, 2013 (the "Act").

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors, other than payment of sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company, and post-retirement benefits being paid to Mr. Bhaskar Bhat, as approved by the Board, consequent upon his retirement as Managing Director on 30th September 2019.

As on the date of this report, none of the Directors serve as a Director or as an Independent Director in more than 7 listed entities, and the Managing Director does not serve as an Independent Director on any listed company. Further, none of the Independent Directors serve as a Non-Independent Director of any company on the board of which any of our Non-Independent Directors are an Independent Director. During the Financial Year 2020-21, none of the Directors acted as a Member in more than 10 committees or as a Chairperson in more than 5 committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI LODR) across all listed entities where they serve as a Director.

The Board of Directors met seven times during the Financial Year 2020-21. The Board meetings were held on 29th April, 22nd May, 8th June, 10th August, 28th October and 7th December in 2020 and on 10th February in 2021.

The information as required in terms of SEBI LODR is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

The attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at 31st March 2021 are as indicated below:

Name of Director	No. of Board Meetings attended during the year 2020-21	Whether attended last Annual General Meeting	No. of Directorships in domestic public companies (including this Company)		No. of Committee positions in domestic public companies (including this Company)#	
			As Chairman	As Director	As Chairman	As Member
Mr. N. Muruganandam	2	No	7	2	Nil	Nil
Mr. V Arun Roy	3	No	3	7	1	2
Ms. Kakarla Usha	7	Yes	3	6	1	2
Mr. N.N. Tata	7	Yes	3	3	1	2
Mr. Bhaskar Bhat	7	Yes	1	4	Nil	4
Ms. Hema Ravichandar[1]	3	NA	Not Applicable			
Ms. Ireena Vittal[2]	4	Yes	Not Applicable			
Mr. Ashwani Puri	7	Yes	Nil	3	3	Nil
Mr. B Santhanam	7	Yes	Nil	3	1	4
Mr. Pradyumna Vyas	7	Yes	Nil	5	1	2
Dr. Mohanasankar Sivaprakasam	7	Yes	Nil	1	Nil	1
Ms. Sindhu Gangadharan[3]	5	Yes	Nil	1	Nil	1
Mr. Sandeep Singhal[3]	2	NA	Nil	1	Nil	Nil
Mr. C. K. Venkataraman	7	Yes	Nil	3	Nil	2

 # excludes Committees other than Audit and Stakeholders Relationship Committee.

1 Ms. Hema Ravichandar ceased to be a Director effective 1st August 2020.

2 Ms. Ireena Vittal ceased to be a Director effective 1st October 2020.

3 Ms. Sindhu Gangadharan & Mr. Sandeep Singhal were appointed on the Board effective 8th June 2020 and 11th November 2020 respectively.

During the year, Ms. Hema Ravichandar ceased to be an Independent Director on 31st July 2020 upon completion of her second term. Ms. Ireena Vittal resigned as an Independent Director effective 1st October 2020 due to increased pre-occupation with her professional commitments and Ms. Vittal had confirmed that there were no other material reasons for stepping down from the Board.

The names of other listed entities where the person is a director and category of directorship as on 31st March 2021 are as follows:

Sl No	Name of Director	Name of listed entities where the person is a director	Category of directorship
1	Mr. N. Muruganandam	Tamilnadu Newsprint and Papers Limited	Non-Executive, Non Independent Director, Chairman
2	Mr. V Arun Roy	Nil	NA
3	Ms. Kakarla Usha	Tamilnadu Petroproducts Limited	Chairperson and Director
4	Mr. N N Tata	Kansai Nerolac Paints Limited	Non-Executive, Independent Director
		Trent Limited	Non-Executive, Non Independent Director, Chairman
		Voltas Limited	Non-Executive, Non Independent Director, Chairman
		Tata Investments Corporation Limited	Non- Executive, Non Independent Director, Chairman
5	Mr. Bhaskar Bhat	Trent Limited	Non-Executive, Non Independent Director
		Rallis India Limited	Non-Executive, Non Independent Director, Chairman
		Bosch Limited	Non-Executive, Independent Director
6	Mr. Ashwani Puri	Coforge Limited	Non-Executive, Independent Director
7	Mr. B Santhanam	Saint-Gobain Sekurit India Limited	Non-Executive, Non Independent Director
		Grindwell Norton Limited	Executive, Managing Director
8	Mr. Pradyumna Vyas	Dynamatic Technologies Limited	Non-Executive, Independent Director
		Kirloskar Brothers Limited	Non-Executive, Independent Director
9	Dr. Mohanasankar Sivaprakasam	Nil	NA
10	Ms. Sindhu Gangadharan	Nil	NA
11	Mr. Sandeep Singhal	Nil	NA
12	Mr. C. K. Venkataraman	Nil	NA

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR and are independent of the Board as of 31st March 2021.

In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended by MCA Notification dated 22nd October 2019 regarding the requirement relating to the enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors.

Number of shares and convertible instruments held by Non-Executive Directors:

Details of shares of the Company held by Non-Executive Directors as on 31st March 2021 are as below:

Name of Director	Number of Shares
Mr. N. Muruganandam	Nil
Mr. V. Arun Roy	Nil
Ms. Kakarla Usha	50
Mr. N.N Tata	46,900
Mr. Bhaskar Bhat	80,960
Mr. Ashwani Puri	Nil
Mr. B. Santhanam	Nil
Mr. Pradyumna Vyas	Nil
Dr. Mohanasankar Sivaprakasam	Nil
Ms. Sindhu Gangadharan	Nil
Mr. Sandeep Singhal	24

Web link where familiarisation programmes imparted to Independent Directors is as below:

The details of familiarisation programmes for Independent Directors can be accessed at:

https://www.titancompany.in/investors/corporate-governance/familiarisation-programmes

Skills/ Expertise/ Competence identified by the Board of Directors:

The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of Company's business operations for it to function effectively and those actually available with the Board are as follows:

i. **Financial Expertise-** Proficiency in complex financial management and experience and expertise in accounting principles, auditing and reporting.

ii. **Mergers and Acquisitions-** Ability to assess "make or buy" decisions, evaluate business combinations and operational integration plans, expertise in analysing and valuing transactions.

iii. **Business Strategy, Sales and Marketing-** Experience in developing strategies to grow sales and market shares in semi urban and rural markets, understanding long term trends, build brand awareness and equity and leading management teams to make strategic choices.

iv. **Governance and Risk Management–** Experience in developing governance practices, serving the best interest of all stakeholders, developing insights about management and accountability and driving corporate ethics and values, building long-term effective stakeholder engagements and driving corporate ethics and values, ability to understand, assess and manage risk.

v. **People Management and Leadership-** Expertise in developing talent, planning succession, furthering representation and diversity and other strategic human resource advisory.

vi. **Manufacturing expertise –** Understanding various facets of manufacturing and operations, insight in innovation, ability to foresee and identify potential challenges, expertise in strategizing to obtain sustainable advantage.

vii. **Design and Aesthetics –** Expertise in design, ability to apply design thinking to various products, keen understanding of design development and related processes and aesthetic excellence.

viii. **Technological Expertise -** Expertise in Healthcare related technology, biomedical instrumentation, medical devices and diagnostics, insight in innovation and ability to bring in affordable healthcare technologies and healthcare delivery models. Expertise or experience in information technology business, technology consulting and operations, areas of integration and innovation technologies, digital, cloud and cyber security, technology domain and knowledge of technology trends.

The Core Skills identified to each of the Directors of the Company are as follows:

Name of Director	Core Skills
Mr. N. Muruganandam	People Management and Leadership
Mr. V. Arun Roy	People Management and Leadership
Ms. Kakarla Usha	People Management and Leadership; Governance and Risk Management
Mr. N.N Tata	Business Strategy, Sales and Marketing.
Mr. Bhaskar Bhat	Manufacturing expertise, People Management and Leadership, Business Strategy, Sales and Marketing, Mergers and Acquisitions.
Mr. Ashwani Puri	Financial Expertise, Governance and Risk Management, Mergers and Acquisitions.
Mr. B. Santhanam	Financial Expertise, Manufacturing expertise, Business Strategy, Sales and Marketing, Governance and Risk Management.
Mr. Pradyumna Vyas	Design and Aesthetics.
Dr. Mohanasankar Sivaprakasam	Technological Expertise - Expertise in healthcare related technology
Ms. Sindhu Gangadharan	Technological Expertise – Information Technology related and People Management and Leadership.
Mr. Sandeep Singhal	Business Strategy, Mergers and Acquisitions, Governance & Risk Management and Technological Expertise
Mr. C. K. Venkataraman	People Management and Leadership, Business Strategy, Sales and Marketing.

CODE OF CONDUCT

Whilst the 'Tata Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and the employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended 31st March 2021. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

INDEPENDENT DIRECTORS AND THEIR APPOINTMENT

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the SEBI LODR and Tata Governance Guidelines for Board Effectiveness adopted by the Company.

Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at https://www.titancompany.in/sites/default/files/Terms%20and%20Conditions%20of%20Appointment%20of%20ID.pdf

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Separate meeting of Independent Directors of the Company without the presence of the Executive Directors and the Management representatives was held on 25th March 2021, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI LODR. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board and the consistent improvement in scores pertaining to various aspects of the Board meetings as captured in the Board Effectiveness Review exercise. At the said meeting, the Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

(b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

INSIDER TRADING CODE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time, the Board of Directors of the Company had adopted the Codes of Fair Disclosure and Conduct ("the Code") which in turn contains the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices. This Code is applicable to all Directors, Promoters, such identified Designated Persons and their Immediate Relatives and other Connected Persons who are expected to have Unpublished Price Sensitive Information relating to the Company. Mr. S Subramaniam, Chief Financial Officer of the Company is the Compliance Officer under the Code.

BOARD EVALUATION CRITERIA

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of the Committees of the Board. An indicative list of factors on which evaluation of the individual directors, the Board and the Committees was carried out includes, Board structure and composition, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information flow, functioning of the Board/Committees, Board culture and dynamics, quality of relationship between the Board and Management, contribution to decisions of the Board, guidance/support to Management outside Board/Committee meetings.

3. AUDIT COMMITTEE:

The Audit Committee of the Board was constituted in 1999. The constitution of Audit Committee is in conformity with the requirements of Section 177 of the Act and also as per the requirements of Regulation 18 of the SEBI LODR.

Powers of the Audit Committee:

The Audit Committee shall have powers, which includes the following:

a) To investigate any activity within its terms of reference;

b) to seek information from any employee;

c) to obtain outside legal or other professional advice;

d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

e) to have full access to information contained in the books of accounts and the Company's facilities and personnel.

Terms of reference of the Audit Committee:

The terms of reference of the Audit Committee is in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI LODR which inter alia includes overseeing the Company's financial reporting process and disclosure of its financial information to ensure correctness, sufficiency and credibility, reviewing the accounting policies, practices and standards, and the changes if any, and the reasons for such changes, reviewing with the Management the quarterly financial statements and Auditor's report thereon before submission to the Board, review the effect of regulatory and accounting initiatives as well as off-balance-sheet structures on the financial statements, approval/review of Related Party Transactions (RPT) including examination of nature, basis and terms, scrutinize inter-corporate loans and investments made by the Company, reviewing the utilization of loans, advances and investment by the holding company in the subsidiaries, review and monitor the auditor's independence and performance, and effectiveness of audit process, oversight of compliance with PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively, as per the Code and PIT Regulations for Prohibition of Insider Trading, review Management Discussion and Analysis of financial condition and results of operations in the Annual Report, review with the Management the performance of statutory and internal auditors, review of the risk and control environment and framework operating in the unlisted subsidiaries, provide approval of payment to statutory auditors for any other services rendered by the statutory auditors, review and suitably reply to the report(s) forwarded by the auditors on the matters involving fraud, review the valuation of undertakings or assets of the Company.

Additionally, the Audit Committee of the Board also oversees financial reporting controls and process for material subsidiaries and compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") for the Company and its material subsidiaries.

Mr. Ashwani Puri, Chairman of the Board Audit Committee was present at the last Annual General Meeting of the Company held on 11th August 2020.

As at the year-end, the Audit Committee of the Board comprised of six members, four of them being Independent Directors. All members are financially literate and have relevant finance and/or audit exposure. Mr. Ashwani Puri has accounting and financial management expertise.

The Audit Committee met five times during the Financial Year 2020-21. The Audit Committee meetings were held on 8th June, 10th August and 27th October in 2020 and on 9th February and 3rd March in 2021.

The quorum as required under Regulation 18(2) of the SEBI LODR was maintained at all the meetings.

The names of the Directors who are members of the Audit Committee and their attendance at Audit Committee meetings are given below:

Name of Director& Category	No. of Meetings attended out of five meetings
Mr. Ashwani Puri, Chairman (Non-Executive) (Independent)	5
Mr. V. Arun Roy (Non-Executive) (Non-Independent)	1
Mr. B. Santhanam (Non-Executive) (Independent)	5
Dr. Mohanasankar Sivaprakasam[1] (Non-Executive) (Independent)	4
Ms. Sindhu Gangadharan[2] (Non-Executive) (Independent)	3
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	5
Ms. Ireena Vittal[3] (Non-Executive) (Independent)	2
Ms. Hema Ravichandar[4] (Non-Executive) (Independent)	1

[1] *Dr. Mohansankar Sivaprakasam was appointed on the Board Audit Committee effective from 1st August 2020.*

[2] *Ms. Sindhu Gangadharan was appointed on the Board Audit Committee effective from 1st October 2020.*

[3] *Consequent upon her resignation effective 1st October 2020, Ms. Ireena Vittal ceased to be a member of the Committee.*

[4] *Consequent upon her cessation effective 1st August 2020, Ms. Hema Ravichandar ceased to be a member of the Committee.*

The Managing Director, the Chief Financial Officer, the Chief Executive Officers of the Watches & Wearables Division, Jewellery Division, Eyewear Division, the Chief Human Resources Officer and the Head – Internal Audit were present at meetings of the Board Audit Committee. Representatives of the Statutory Auditors, B S R & Co., LLP are also invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The constitution of Board Nomination and Remuneration Committee ("Committee" or "BNRC") is in conformity with the requirements of Section 178 of the Act and also as per the requirements of Regulation 19 of the SEBI LODR. The broad terms of reference of the Board Nomination and Remuneration Committee inter alia includes to recommend to the Board of Directors the selection and appointment or reappointment of Independent Directors ("IDs") in the Board and its Committees which shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee is also responsible to devise a policy on Board diversity, recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and Senior Management Team in-charge of respective business divisions of the Company as defined by the Committee. The Committee also supports the Board and IDs in evaluating the performance of the Board, its committees and individual directors which include "Formulation of criteria for evaluation of Independent Directors and the Board". It also decides whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors, which includes overseeing the performance review process of the KMPs and the executive team of the Company, recommending to the Board the remuneration policy for directors, executive team/ KMPs as well as the rest of the employees, identifying and recommending to the Board, including their remuneration, the appointment and removal of persons for the positions/offices one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/ manager, in case chief executive officer/manager is not a part of the Board), specifically including the position of the Company Secretary and the Chief Financial Officer. The Committee oversees the identified programmes like Familiarisation Programmes for directors, HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and executive team). In addition to this, the Committee provides guidelines for remuneration of directors on material subsidiaries, recommend to the Board how the Company votes on resolutions for appointment and remuneration of directors on the Boards of its material subsidiary companies, endeavours to play a larger role to help the Company navigate the future to guide the Management in the areas of capability building, leadership development, succession planning and in general "future proofing" the Company from a leadership perspective, be the sounding board for the HR strategy of the Company and performs such other duties and responsibilities as may be consistent with the provisions of its charter.

The Board Nomination and Remuneration Committee also recommends the total remuneration payable to Non- Executive Directors and the criteria for payment amongst the Directors. The criteria for payment of Non-Executive Directors Commission for Financial Year 2020-21 is based on attendance at the meetings of the Board and the Committees thereof, and Chairmanships held by the directors on various Committees. However, for the Financial Year 2020-21, aligning with the performance of the Company, the Board approved payment of Commission to the non-executive Directors at 60% of the commission as eligible as per the criteria adopted by the Board. The Remuneration Policy is annexed as **Annexure-A**.

The Committee met three times during the Financial Year 2020-21. Meetings were held on 29th April, 5th June and 30th July in 2020.

The following Directors are the members of the Nomination and Remuneration Committee and their attendance in the meetings held during the FY 2020-21:

Name of Director& Category	No. of Meetings attended out of three meetings
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	3
Mr. N. N. Tata (Non-Executive) (Non-Independent)	3
Ms. Kakarla Usha (Non-Executive) (Non-Independent)	2
Ms. Sindhu Gangadharan[1] (Non-Executive) (Independent)	1
Ms. Ireena Vittal[2] (Non-Executive) (Independent)	2
Ms. Hema Ravichandar[3] (Non-Executive) (Independent)	3

[1] Ms. Sindhu Gangadharan was appointed on the Board Nomination and Remuneration Committee effective from 8th June 2020.

[2] Consequent upon her resignation effective 1st October 2020, Ms. Ireena Vittal ceased to be a member of the Committee.

[3] Consequent upon her cessation effective 1st August 2020, Ms. Hema Ravichandar ceased to be a member of the Committee.

5. REMUNERATION OF DIRECTORS

MANAGING DIRECTOR

The Company has during the year paid remuneration to its Managing Director by way of salary, perquisites and commission within the limits approved by the Shareholders. The Board of Directors on the recommendation of the Board Nomination and Remuneration Committee approves the annual increment (effective April each year). Commission is calculated based on the net profits of the Company in a particular financial year and is determined by the Board of Directors on the recommendation of the members of the Board Nomination and Remuneration Committee in the succeeding financial year, subject to the overall ceiling as stipulated in Section 197 of the Act. The specific amount payable to the Managing Director is based on performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the related financial year.

Details of the remuneration to the Managing Director during 2020-21 are as under:

(in ₹)

Name	Salary	Perquisites & Allowance	Commission**
Mr. C. K. Venkataraman	1,20,00,000	1,95,54,606	3,84,00,000

*** Aligning with the performance of the Company for 2020-21 and based on the on the recommendations of the Board Nomination and Remuneration Committee and approved by the Board, a commission at 80% of eligible commission for the Managing Director is payable in Financial Year 2021-22 post the ensuing Annual General Meeting.*

The perquisites indicated above exclude gratuity as these are determined on an actuarial basis for the Company as a whole. Commission is the only component of remuneration, which is performance linked and the other components are fixed. The Board Nomination and Remuneration Committee also recommends to the Board of Directors increase in salary of the Managing Director based on results relating to the Company's financial performance, market performance and few other performance related parameters. However, for the FY 2020-21, no increment was recommended/approved as it was quite evident then that the sales and profits in Financial Year 2020-21 will certainly be significantly lower than the Financial Year 2019-20 levels due to the COVID-19 pandemic.

The broad terms of agreement of appointment of Mr. C. K. Venkataraman, Managing Director, are as under:

Period of Agreement: 5 years from 1st October 2019 to 30th September 2024.

Salary: Up to a maximum of ₹ 20,00,000/- per month with authority to the Board to fix the salary within the maximum amount from time to time.

Perquisites: As agreed to in the Appointment Agreement within the overall ceiling of 140% of the basic salary or such ceiling as may be determined by the Board Nomination & Remuneration Committee or the Board.

Commission: As evaluated by the Board or the Board Nomination and Remuneration Committee subject to the overall ceiling under the Act. Currently, the overall ceiling determined by the Board for Commission is at 400% of the yearly Salary.

Notice period: The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

Severance Fees: Nil

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid/payable to Non-Executive Directors for the year 2020-21 had been computed pursuant to Sections 197 and 198 of the Act.

The Commission payable to Non-Executive Directors is as per the approval obtained from the shareholders at the Annual General Meeting held on 11th August 2020 and is within the limits specified under the Act. The remuneration by way of Commission to the Non-Executive Directors is decided by the Board of Directors primarily based on attendance at the meetings of the Board and the Committees thereof and Chairmanship held by the Directors in various Committees.

During the Financial Year 2020-21, the Company has paid Sitting Fees to Non-Executive Directors detailed below and proposes to pay commission as shown below:

Sl No	Name of the Director	Sitting fee* (In ₹)	Commission** (In ₹)
1	Mr. N Muruganandam - Chairman (nominee of TIDCO)	50,000	21,12,000
2	Mr. V Arun Roy (nominee of TIDCO)	1,10,000	24,42,000
3	Ms. Kakarla Usha (nominee of TIDCO)	2,05,000	19,14,000
4	Mr. Bhaskar Bhat	3,05,000	24,75,000
5	Mr. N N Tata^	2,20,000	Refer Note below
6	Ms. Hema Ravichandar	1,55,000	15,18,000
7	Ms. Ireena Vittal	1,85,000	22,93,500
8	Mr. Ashwani Puri	3,25,000	36,74,000
9	Mr. B. Santhanam	3,40,000	33,55,000
10	Mr. Pradyumna Vyas	2,15,000	21,34,000
11	Dr. Mohanasankar Sivaprakasam	3,00,000	29,81,000

Sl No	Name of the Director	Sitting fee* (In ₹)	Commission** (In ₹)
12	Ms. Sindhu Gangadharan	2,00,000	18,64,500
13	Mr. Sandeep Singhal	90,000	8,47,000

** Gross amount, excluding service tax, paid during Financial Year 2020-21.*

*** Gross amount, subject to tax and payable in Financial Year 2021-22. Further, aligning with the performance of the Company, the Board approved payment of Commission to the non-executive Directors at 60% of the commission as eligible as per the criteria adopted by the Board.*

^ In line with the internal guidelines, no payment will be made towards commission to Mr. N N Tata, Non –Executive Director of the Company, as he is in full-time employment with another Tata Group Company.

The Managing Director is not eligible to receive sitting fees as per the terms of appointment and the contract entered into with him. Sitting fees and Commission payable to the Directors, who are nominees of the co-promoters viz., TIDCO are being paid directly to TIDCO.

The Company does not pay any salary, benefits, bonuses, stock options etc. to the Non-Executive Directors other than to Mr. Bhaskar Bhat to whom the Company pays monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company in the month of September 2019.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Section 178(5) of the Act prescribes that a company which consists of more than one thousand shareholders, debenture holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee.

The Company has constituted the Stakeholders Relationship Committee (SRC) and the terms of reference of the Committee are to review statutory compliance relating to all security holders, consider and resolve the grievances of security holders of the Company including complaints related to transfer of securities, non-receipt of annual report/declared dividends/notices/ balance sheet, oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund, oversee and review all matters related to the transfer of securities of the Company, approve issue of duplicate certificates of the Company and transmission of securities, review movements in shareholding and ownership structures of the Company, ensure setting of proper controls and oversee performance of the Registrar and Transfer Agent, recommend measures for overall improvement of the quality of investor services, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

The Committee met two times during the Financial Year 2020-21. The meetings were held on 8th June 2020 and 10th February 2021.

The members of the Stakeholders Relationship Committee and their attendance in the meetings held during the FY 2020-21:

Name of Director& Category	No. of Meetings attended out of two meetings
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	2
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	2
Mr. C. K. Venkataraman (Executive, Non-Independent)	2
Mr. V Arun Roy (Non-Executive) (Non-Independent)	Nil

Mr. Dinesh Shetty, Company Secretary, is the Compliance Officer under SEBI LODR.

Number of complaints from shareholders during the year ended 31st March 2021

The status of Investor Complaints as on March 31, 2021 as reported under Regulation 13(3) of the SEBI LODR is as under:

Complaints outstanding as on 1st April 2020	Nil
Complaints received during the year ended 31st March 2021	23
Complaints resolved during the year ended 31st March 2021	22
Complaints not solved to the satisfaction of shareholders during the year ended 31st March 2021	1
Complaints pending as on 31st March 2021*	1

**The above mentioned figures include complaints received through SCORES as well as other Regulatory Bodies. ATR for the complaint received from the Complainant through SCORES was uploaded on 1st April 2021 and the same is pending for review by SEBI.*

The position of queries / other correspondence received and attended to during 2020-21 in respect of equity shares apart from those received through SCORES are given below:

	Received	Resolved	Pending
For non-receipt of interests / dividend warrants	801	759	42
Loss of shares	689	679	10
Signature Cases	393	388	5
ECS/ Mandate Requests	102	102	0
Change of address requests	207	207	0
Transmission of securities	154	154	0
Document Registration	230	230	0
Exchange/ Sub-division of old shares/ Conversion	91	91	0
Split/ Consolidation/ Renewal/ Duplicate issue of shares	10	10	0
Name/ status correction	82	71	11
General Inquiries	133	133	0
Transfer of securities	20	19	1
Nomination requests	12	12	0
Depository System	2	2	0
Dematerialisation of securities	19	19	0
Correspondence related to legal matters	12	12	0
Securities/ Warrants enclosure letters	29	29	0
Change of address queries	207	207	0
Annual Report	9	9	0
Verification of Holdings	10	10	0

7. GENERAL BODY MEETINGS

Particulars of the past three Annual General Meetings

a) Location, date and time of Annual General Meetings held during the last 3 years

Year	Location	Date	Time	Special Resolution
2017-18	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	3rd August 2018	2:30 p.m	Nil
2018-19		6th August 2019	2:30 p.m	i) Re-appointment of Ms. Hema Ravichandar as an Independent Director. ii) Re-appointment of Ms. Ireena Vittal as an Independent Director
2019-20	Video Conference / Other Audio Visual Means	11th August 2020	2:30 p.m	Nil

b) No Extraordinary General Meeting of the shareholders was held during the financial year 2020-21.

c) No Postal Ballot was conducted during the financial year 2020-21.

d) As of the date of the Report, no special resolutions are proposed to be conducted through postal ballot.

e) Procedure for Postal Ballot – In compliance with Schedule V Part C of the SEBI LODR and Sections 108, 110 and other applicable provisions of the Act read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorised officer. The results are also displayed on the website of the Company, www.titancompany.in besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

8. MEANS OF COMMUNICATION

Whether half-yearly reports are sent to each households of shareholder?	To benefit the shareholders, after the results were approved by the Board of Directors, the Company voluntarily sent quarterly financial results through e-mail to those Shareholders whose e-mail addresses are registered with the Company/Depositories.
Website, where results are displayed	The results are displayed on www.titancompany.in
Whether it also displays official news releases	Yes
Website for investor complaints	The Company has created an exclusive ID investor@titan.co.in for this purpose. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
Presentations to institutional investors or analysts	Presentations made during the year to institutional investors are displayed on www.titancompany.in
Newspaper in which results are normally published	The quarterly results were published in the Business Standard and Dina Thanthi. The audited financial results for the year ended 31st March 2021 were published in Business Standard and Dina Thanthi.
Annual Reports and Annual General Meetings	In view of the General Circular No. 20/2020 issued by Ministry of Corporate Affairs dated 5th May 2020 and 13th January 2021, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's Report, Auditor's report or other documents required to be attached therewith), Annual Report will be sent only by email to the members and to all other persons so entitled. Further, the 37th Annual General Meeting scheduled to be held on 2nd August 2021 will be conducted through video conference or other audio visual means and the requirements as stated in the above said circulars will be fulfilled. Details of the procedure of conduct of the 37th AGM is provided in the Notice of the AGM . The Annual Report and the Notice of the AGM is also available on the Company's website at www.titancompany.in.

9. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	**Monday, 2nd August 2021, 2:30 p.m.** In accordance with the General Circular issued by the MCA on 5th May 2020 and 13th January 2021, the AGM will be held through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') only
Financial Year	1st April 2020 to 31st March 2021
Book Closure Date	24th July 2021 to 2nd August 2021 (both days inclusive)
Dividend payment date	On or after 6th August 2021 (within the statutory time limit of 30 days) subject to shareholders' approval at the Annual General Meeting
Registered Office	3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Listing of Equity Shares on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-01; and National Stock Exchange of India Limited, Exchange Plaza,C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-51
Listing fees	Listing fees as prescribed have been paid to the above stock exchanges up to 31st March 2021.
Share Registrar and Transfer Agents	TSR Darashaw Consultants Private Limited, C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 mail: csg-unit@tcplindia.co.in, Website: www.tcplindia.co.in Tel No: 022-66568484, Fax No: 022-66568494
Company Secretary & Contact Address	Mr. Dinesh Shetty, General Counsel & Company Secretary E-mail: investor@titan.co.in Tel No: 080-67046600 / 67046646

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches of TSR Darashaw Consultants Private Limited:-

TSR Darashaw Consultants Private Limited	**TSR Darashaw Consultants Private Limited**
503, Barton Centre,	C/o Link Intime India Private Limited
5th Floor, 84, M.G. Road,	Noble Heights, 1st Floor,Plot No NH-2, C-1 Block,
Bengaluru – 560 001	LSC, Near Savitri Market, Janakpuri, New Delhi – 110058
Tel: 080-26509004	Tel: 011 – 49411030
Email: tsrdlbang@tcplindia.co.in	Email: tsrdldel@tcplindia.co.in
Contact Person: Mr. Shivanand M	Contact Person: Mr. Shyamalendu Shome
TSR Darashaw Consultants Private Limited	**TSR Darashaw Consultants Private Limited**
C/o Link Intime India Private Limited	C/o Link Intime India Private Limited,
Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre Nr. St. Xavier's College Corner	Vaishno Chamber, Flat No. 502 & 503, 5th Floor,
Off. C.G. Road, Ellisbridge, Ahmedabad – 380006	6, Brabourne Road, Kolkata – 700001
Telefax: 079 - 26465179,	Tel: 033 - 40081986
Email: csg-unit@tcplindia.co.in	Email: tsrdlcal@tcplindia.co.in
Contact Person: Ms. Preeti Madhu	Contact Person: Mr. Rijit Mukherjee
TSR Darashaw Consultants Private Limited	
Bungalow No.1, 'E' Road, Northern Town, Bistupur, Jamshedpur – 831 001	
Tel: 0657 – 2426616	
Fax: 0657 – 2426937	
Email: tsrdljsr@tcplindia.co.in	
Contact Person: Mr. Subrato Das	

SHARE TRANSFER SYSTEM

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrar and Transfer Agents, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

An Independent Practising Company Secretary reviews and furnishes the quarterly Reconciliation Reports and half yearly Physical Transfer related Reports which are submitted to the Stock Exchanges.

STOCK CODE

Equity Shares - Physical form - BSE Ltd (BSE) : 500114
- National Stock Exchange of India Ltd (NSE) : TITAN

Equity Shares - Demat form - NSDL / CDSL : ISIN No. INE280A01028

The Aggregate Non-promoter/Public Shareholding of the Company as at 31st March 2021 is as shown below:

Number of Shares : 41,81,84,240

Percentage to total holding : 47.10%

STOCK PERFORMANCE

Month	BSE		NSE		Index Close Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)	Sensex	Nifty
Apr-20	1,040.35	856.60	1,044.00	855.95	33,717.62	9,859.90
May-20	945.00	809.85	929.00	810.00	32,424.10	9,580.30
Jun-20	1,065.00	896.00	1,050.00	945.00	34,915.80	10,302.10
Jul-20	1,082.15	941.80	1,083.00	941.80	37,606.89	11,073.45
Aug-20	1,158.25	1,043.05	1,159.00	1,043.00	38,628.29	11,387.50
Sep-20	1,220.50	1,076.00	1,220.00	1,076.00	38,067.93	11,247.55
Oct-20	1,281.60	1,155.50	1,281.90	1,155.55	39,614.07	11,642.40
Nov-20	1,375.85	1,154.00	1,375.00	1,154.00	44,149.72	12,968.95
Dec-20	1,571.65	1,335.00	1,571.00	1,335.00	47,751.33	13,981.75
Jan-21	1,620.95	1,415.50	1,621.35	1,415.25	46,285.77	13,634.60
Feb-21	1,589.00	1,396.25	1,588.00	1,396.00	49,099.99	14,529.15
Mar-21	1,566.95	1,416.75	1,567.40	1,416.60	49,509.15	14,690.70

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2021

No. of Equity Shares Held	No. of Shareholders*	Percentage	No. of Shares	Percentage
1-5,000	3,67,467	98.99	5,80,52,047	6.54
5,001-20,000	2,751	0.74	2,45,32,095	2.76
20,001-30,000	206	0.06	50,24,961	0.57
30,001-40,000	119	0.03	42,00,833	0.47
40,001-50,000	84	0.02	38,01,912	0.43
50,001-1,00,000	179	0.05	1,30,07,939	1.47
1,00,001- 10,00,000	342	0.09	11,02,06,996	12.41
10,00,001 and above	67	0.02	66,89,59,377	75.35
TOTAL	**371,215**	**100.00**	**88,77,86,160**	**100.00**

**The number of shareholders in the Corporate Governance Report is compiled on the basis of the number of folios held by the shareholders.*

CATEGORIES OF SHAREHOLDING AS ON 31st MARCH 2021

Category	No. of Shareholders*	No. of Shares Held	% of Shareholding
Tamilnadu Industrial Development Corporation Limited	1	24,74,76,720	27.88
Tata Group Companies	11	22,21,25,200	25.02
FFI / FIIs / OCBs	723	16,06,90,381	18.10
Bodies Corporate	2,791	1,88,79,388	2.13
Institutional Investors	157	5,64,57,275	6.36
Mutual Funds	237	3,86,87,678	4.36
Banks	19	3,90,427	0.04
Others	3,67,276	14,30,79,091	16.12
Total	**3,71,215**	**88,77,86,160**	**100.00**

**The number of shareholders in the Corporate Governance Report is compiled on the basis of the number of folios held by the shareholders.*

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March 2021, 98.93% of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL. Trading in equity shares of the Company is permitted only in dematerialised form with effect from 15th February 1999 as per the notification issued by the Securities and Exchange Board of India (SEBI). Further, effective 1st April 2019, SEBI has amended Regulation 40 of the SEBI LODR, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments: None

Stock option scheme: The Company does not have any stock option scheme.

PLANT LOCATIONS

The Company's plants are located at:

Watches : Roorkee, Pantnagar, Hosur, Coimbatore and Sikkim.

Jewellery : Hosur, Pantnagar and Sikkim

Prescription Eyewear : Chikkaballapur, Kolkata and Noida

ADDRESSES FOR CORRESPONDENCE

Registered Office : 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu

Corporate Office : "Integrity" No. 193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bengaluru - 560 100, Karnataka.

LIST OF CREDIT RATINGS AND ITS REVISION

The Company has obtained the following credit ratings along with its revision in the financial year 2020-21 for all debt instruments or fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds in India or abroad.

(a) Ratings and its revisions given by ICRA dated 15th March 2021

Instrument	Previous Rated Amount (₹ crore)	Current Rated Amount (₹ crore)	Rating Action
Fixed Deposit Programme	2,500	2,500	MAAA (Stable) reaffirmed
Fund Based / Non-fund based limits	1,700	1,700	[ICRA]AAA (Stable) upgraded from [ICRA] AA+(positive); [ICRA] A1+ reaffirmed
Commercial Paper Programme	1,500	1,500	[ICRA]A1+ reaffirmed

(b) Ratings and its revision given by CRISIL dated 6th July 2020

Instrument	Previous Rated Amount (₹ crore)	Current Rated Amount (₹ crore)	Rating Action
Total Bank Loan Facilities Rated	2,850	2,850	Long Term Rating CRISIL AAA/Stable (Reaffirmed) Short Term Rating CRISIL A1+ (Reaffirmed)
Commercial Paper	500	--	CRISIL A1+ (Withdrawn on Company's request)

(c) Ratings and revisions given by Brickwork Ratings India Pvt. Ltd dated 6th May2020

Instrument	Previous Rated Amount (₹ crore)	Current Rated Amount (₹ crore)	Rating Action
Commercial Paper	900	600.00 (in addition to existing 900 crore)	[BWR] A1+ assigned

10. DISCLOSURES

(a) **Related Party Transactions:** During the year under review, besides the transactions reported in Note 34 forming part of the Financial Statements for the year ended 31st March 2021 in the Annual Report, there were no other material related party transactions of the Company with its Promoters, Directors or the Management or their relatives and subsidiaries, associate company and joint venture. These transactions do not have any potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information, if required. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis

(b) **Disclosure of Accounting Treatment:** The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("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 Act.

(c) **Disclosure by Senior Management:** Senior Management has made affirmations to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

(d) **CEO / CFO Certification:** The Managing Director (MD) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of the SEBI LODR pertaining to CEO/CFO certification for the financial year ended 31st March 2021, which is annexed hereto.

(e) **Details of Non-Compliance:** There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

(f) **Whistle Blower Policy:** The Company has a whistle blower mechanism wherein the directors/ employees/ associates can approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, suspected leak of Unpublished Price Sensitive Information. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he/she becomes aware of that could affect the business or reputation of the Company. The disclosure reported are addressed in the manner and within the time frames prescribed in the policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concerns. No person has been denied access to the Chairman to report any concern. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website.

(g) **Subsidiary Companies:** The Audit Committee reviews the consolidated financial statements of the Company and the investments made by the unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted Indian subsidiary company.

(h) **Share Transfer Compliance and Share Capital Reconciliation:** Pursuant to Regulation 40 (9) of the SEBI LODR, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a share capital audit on a quarterly basis for reconciliation of the share capital of the Company.

(i) **Compliance of non-mandatory requirements:** The information pertaining to compliance of discretionary requirements made, may be referred to Item No.12 below.

(j) **Risk Management:** The Risk Management of the Company is overseen by the Senior Management, Risk Management Committee (RMC) and the Board at various levels:

Business/Strategic Risk: The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/ approval of business plans, projects and approvals for business strategy/policy.

Operational Risks: These are being mitigated by internal policies and procedures which are updated from time to time to address reviewed risks.

Cyber Security: The RMC oversees the risks pertaining to cyber security and mitigation measures taken by the Management and a periodic update is provided to the Board.

Financial Risks: These risks are addressed on an on-going basis by Treasury, Insurance and Forex Policies and Bullion Risk Management team. Due oversight on financial risks is exercised by the Audit Committee in its meetings.

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/ management efforts.

The RMC/Board engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives for the major risks of each of the businesses that the Company is into.

The Risk registers of each of the Businesses gets updated on a bi-annual basis and is placed for due discussions at Board meetings and appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimized.

(k) **Disclosure on website:** The Policy on Related Party Transactions is posted on the website of the Company and can be accessed at: https://www.titancompany.in/investors/corporate-governance/policies

(l) **Disclosure of commodity price risks and commodity hedging activities:** The Company is exposed to price fluctuations on account of gold prices and this is managed by way of:

a) Purchase of gold on lease from banks where the commodity price is only fixed when the corresponding sale happens to customers. Thus, the Company is not exposed to gold prices for this portion of the purchase.

b) Purchase of gold from customers (on exchange, outright jewellery) or spot gold where the risk is managed by way of taking a sell future position in the commodity exchanges. On a later date when this is sold in the stores, the positions are squared-off through Buy future contracts. Thus, there is no exposure to gold prices for this portion of gold purchase also. The Mark-to-Market of outstanding Sell Future Contracts is done on a daily basis, based on the gold rate fluctuation.

All the commodity hedging is done in adherence to the "Bullion Risk Management Policy" approved by the Board and the Company has hedging limits in place. The Company's Bullion Risk Management Committee consisting of senior management reviews the position and other actions and meets on a quarterly basis.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the listed entity to commodities in (as of 31st March 2021): ₹ 1089.382 crore

b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Gold – 1 Kg June'21 Contract	₹ 1,062.246 crore	2,327 kgs		100%			100%
Gold – 1 Kg August'21 Contract	₹ 24.647 crore	55 kgs		100%			100%
Sub Total (A)	₹ 1,086.893 crore	2,382 kgs		100%			100%
Silver – 30 kgs May'21 Contract	₹ 2.489 crore	360 kgs		100%			100%

The Company's exposure to market risks, credit risks and liquidity risks are detailed in Note 35.3 under "Financial Risk Management Objective" forming part of Notes to the Standalone Financial Statements.

(m) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** The Company has not raised any funds through preferential allotment or qualified institutions placement.

(n) **Certificate from Company Secretary in Practice:** A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is attached as an annexure.

The Company has obtained compliance certificate from the Practising Company Secretary on corporate governance, and the same is attached as an annexure.

(o) **Disclosure of non-acceptance of any recommendation of any committee by the Board in the financial year 2020-21 and its reason:** There was no such instance during the FY 2020-21 when the Board had not accepted any recommendation of any Committee of the Board.

(p) **Fees paid to Statutory Auditor:** The details of the total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(₹ in lakh)

Particulars	Amount
Audit of statutory accounts	150.00
Taxation matters	18.00
Audit of consolidated accounts	12.00
Other services	83.00
Reimbursement of levies and expenses	21.00
Total	**284.00**

(q) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Particulars	Number of Complaints
Number of complaints filed during the financial year	4
Number of complaints disposed-off during the financial year	3
Number of complaints pending as on the end of financial year	1

Compliance with Regulation 39(4) of the SEBI LODR

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI LODR, for shares issued in physical form pursuant to a public issue, which remain unclaimed, the issuer Company has to comply with the following procedure:

a) Send at least three reminders to the addresses given in the application form as well as the latest address available as per the Company's record asking for the correct particulars.

b) If no response is received, the issuer Company shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account."

The details of the number of shareholders and outstanding unclaimed shares for the period 1st April 2020 to 31st March 2021 is as provided below:

Particulars	No. of Shareholders	No. of equity shares (₹ 1 each)
Aggregate number of shareholders and the Outstanding unclaimed shares in the suspense account lying at the beginning of the year	263	4,93,460
Shareholders who approached listed entity for transfer of shares from suspense account during the year	1	2,460
Shareholders to whom shares were transferred from suspense account during the year	1	2,460
Shareholders whose shares were transferred from suspense account to IEPF	25	33,300
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	237	4,57,700
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	237	4,57,700

The voting rights on the shares outstanding in the suspense account as on 31st March 2021 shall remain frozen till the rightful owner of such shares claims the shares.

11. NON-COMPIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the SEBI LODR.

12. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.

13. DISCLOSURE OF COMPLIANCE WITH THE SEBI LODR

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - Part C to F of the SEBI LODR.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17 (8) OF THE SEBI LODR

The Board of Directors,
Titan Company Limited
3, SIPCOT Industrial Complex,
Hosur 635 126

CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17 (8) OF SEBI LODR

We, C. K. Venkataraman, Managing Director and S. Subramaniam, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on 31st March 2021:

1. we have reviewed the financial statements and the cash flow statements for the year, and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;

3. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;

4. we have indicated to the auditors and the Audit Committee:-

   a) significant changes, if any, in internal control over financial reporting during the year;

   b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   c) instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Bengaluru
29th April 2021

C. K. VENKATARAMAN
Managing Director

S SUBRAMANIAM
Chief Financial Officer

DECLARATION BY THE CEO UNDER REGULATION 17 (5) OF THE SEBI LODR REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Regulation 17 (5) of the SEBI LODR, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended 31st March 2021.

for **TITAN COMPANY LIMITED**

Place: Bengaluru
Date: 29th April 2021

C. K. VENKATARAMAN
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
Titan Company Limited
Hosur

I have examined all the relevant records of Titan Company Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company, for the year ended 31st March, 2021 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Company Secretary
FCS:1788 CP:980
UDIN: F001788C000208049

Place: Bengaluru
Date: 29.04.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Titan Company Limited
3, SIPCOT Industrial Complex
Hosur- 635126

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TITAN COMPANY LIMITED having CIN L74999TZ1984PLC001456 and having registered office at 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu- 635126(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Noel Naval Tata	00024713	07.08.2003
2.	Mr. Bhaskar Bhat	00148778	01.04.2002
3.	Mr. Ashwani Kumar Puri	00160662	06.05.2016
4.	Mr. Sandeep Singhal	00422796	11.11.2020
5.	Mr. Santhanam	00494806	10.05.2018
6.	Mr. Muruganandam Narayanaswamy	00540135	14.03.2019
7.	Mr. Arun Roy Vijayakrishnan	01726117	26.11.2018
8.	Mr. Pradyumna Rameshchandra Vyas	02359563	25.03.2019
9.	Mr. Venkataraman Krishnamurthy Coimbatore	05228157	01.10.2019
10.	Ms. Kakarla Usha	07283218	21.11.2019
11.	Dr. Mohanasankar Sivaprakasam	08497296	03.07.2019
12.	Ms. Sindhu Gangadharan	08572868	08.06.2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Company Secretary
FCS: 1788 CP: 980
UDIN: F001788C000207994

Place: Bengaluru
Date: 29.04.2021

Annexure A

Remuneration Policy

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Titan Company Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**

  o Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.

  o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

  o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

  o Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.

  o Overall remuneration practices should be consistent with recognized best practices.

  o Quantum of sitting fees may be subject to review on a periodic basis, as required.

  o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

  o The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

  o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

- **Remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees**
  - o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
    - ▪ Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
    - ▪ Driven by the role played by the individual,
    - ▪ Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
    - ▪ Consistent with recognized best practices and
    - ▪ Aligned to any regulatory requirements.
  - o In terms of remuneration mix or composition,
    - ▪ The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
    - ▪ Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
    - ▪ In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
    - ▪ The company provides retirement benefits as applicable.
    - ▪ In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
    - ▪ In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
    - ▪ Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
    - ▪ Industry benchmarks of remuneration,
    - ▪ Performance of the individual.
  - o The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

  The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

  a) The services rendered are of a professional nature; and

  b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

  The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Shareholder Information

Corporate

The Company was incorporated under the Companies Act, 1956 on 26th July 1984 as Titan Watches Limited. The name of the Company was changed to Titan Industries Limited on 21st September 1993 and to Titan Company Limited on 1st August 2013. The initial public offer was in the year 1987. The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

Split and Bonus Issue

In June 2011, shares of ₹ 10/- each of the Company were sub-divided into shares of ₹ 1/- cum bonus shares in the ratio 1:1. Accordingly, the current face value of the shares is ₹ 1 each.

Transfer to Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 (the "Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company.

Unclaimed Dividend:

During the year 2019-20, the Company had transferred unclaimed dividends of ₹ 1,81,25,272 to IEPF pertaining to FY 2013-14.

The following is the year wise Unclaimed Dividend balance lying with the Company and which would become eligible to be transferred to IEPF on the dates mentioned below.

Year	Date of declaration of dividend	Total Dividend (in ₹ lakh)	Unclaimed dividend as on 31st March 2021		Due for transfer to IEPF
			(₹ lakh)	%	
2013-14	1st August 2014	18,644	145.8	0.78%	07th Sept 2021
2014-15	31st July 2015	20,419	136.5	0.67%	06th Sept 2022
2015-16	29th March 2016	19,531	150.5	0.77%	28th Apr 2023
2016-17	3rd August 2017	23,082	184.7	0.80%	09th Sept 2024
2017-18	3rd August 2018	33,292	220.4	0.66%	09th Sept 2025
2018-19	6th August 2019	44,389	192.1	0.43%	12th Sept 2026
2019-20	11th August 2020	35,511	131.5	0.41%	17th Sept 2027

Shares transferred to IEPF:

As per IEPF Rules, the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the IEPF Authority.

During the year 2020-21, the Company had transferred 1,91,972 shares on which the dividend was not claimed for seven consecutive years in accordance with IEPF rules.

Details of shares/shareholders in respect of which dividend had not been claimed, are provided on the website of the Company at https://www.titancompany.in/investors/corporate-governance/transfer-of-shares-to-iepf.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the IEPF Rules. No claims shall lie against the Company in respect of unclaimed dividend amounts and shares transferred to the IEPF.

Guidelines for Investors to file a claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF:

1. Shareholders are advised to verify their details like address, bank mandate, PAN, status of outstanding dividend(s), etc. from TSR Darashaw Consultants Private Limited ("RTA" or "TSR"), Company's Registrar and Transfer Agent, before filing an application with IEPF.

2. Download the form IEPF-5 from the website of IEPF (http://www.iepf.gov.in) for filing the claim for refund. Read the instructions provided on the website/instruction kit along with the e-form carefully before filling the form.

3. After filling the form save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading an acknowledgement will be generated indicating the SRN. Please note the SRN for future tracking of the form.
4. Take a printout of the duly filled IEPF-5 and the acknowledgement issued after uploading the form.
5. Submit indemnity bond in original, copy of acknowledgement and self-attested copy of e-form along with the other documents as mentioned in the Form IEPF 5 to Nodal Officer (IEPF) of the Company at its registered office in an envelope marked "Claim for refund from IEPF Authority".
6. Claim forms completed in all aspects will be verified by the concerned company and on the basis of Company's verification report, refund will be released by the IEPF Authority in favour of claimants' Aadhaar linked bank account through electronic transfer.

The Nodal Officer of the Company for co-ordination with IEPF Authority is Mr. Dinesh Shetty - General Counsel & Company Secretary and Mr. Mahesh S - Assistant Manager- Secretarial is the deputy Nodal Officer. The following are the contact details:

Email ID : investor@titan.co.in
Telephone No. : 080 67046651
Address : Titan Company Limited, "INTEGRITY", No. 193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bengaluru -560100, Karnataka

Financial Year

The Company's financial year begins on 1st April and ends on 31st March.

Registered and Corporate Office Address

Registered Office : 3, SIPCOT Industrial Complex, Hosur -635 126, Tamil Nadu.

Corporate Office : "INTEGRITY", No. 193, Veerasandra, Electronics City P.O., Off Hosur, Main Road, Bengaluru -560100, Karnataka

37th Annual General Meeting

The details of the 37th Annual General Meeting (AGM) of the Company is as given below:

Date	2nd August 2021
Venue	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
E- voting dates	29th July 2021 to 1st August 2021
Book closure date	24th July 2021 to 2nd August 2021 (both days inclusive)
Dividend payment date	On or after 6th August 2021
Webcast link	https://www.evoting.nsdl.com

In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated 5th May 2020 read with General Circulars dated 8th April 2020, 13th April 2020 and 13th January 2021 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular dated 12th May 2020 and 15th January 2021 ("SEBI circulars") has also granted certain relaxations. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and MCA Circulars, the 37th AGM of the Company is being held through VC/OAVM.

In line with the MCA Circulars and SEBI circulars, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.

Detailed process / procedure for attending the AGM is described in the Notice of the AGM.

Dematerialisation of Shares and Liquidity

The Company has established connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") through TSR. The International Securities Identification Number ("ISIN") allotted to the Company's shares under the Depository System is INE280A01028.

As on 31st March 2021, 98.93% of the shares were held in dematerialized form and the rest in physical form.

SEBI vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June 2018, amended Regulation 40 of SEBI LODR pursuant to which, after 1st April 2019, transfer of securities cannot be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company's shares are tradable in the electronic form only. The shareholders whose shares are in the physical mode are requested to dematerialize their shares and update their bank accounts and email id's with the respective Depository Participants (DPs) to enable the Company to provide better service.

Shareholders holding more than 1% of the shares

The details of the shareholders (non-promoters) holding more than one percentage of the equity shares as on 31st March 2021 are as follows:

Sl. No	Name of Shareholder	Total holdings	Percentage to capital
1	Jhunjhunwala Rakesh Radheshyam	3,52,60,395	3.97
2	Life Insurance Corporation Of India	3,47,03,768	3.91
3	Sbi-Etf Nifty 50	1,00,66,427	1.13
4	ICICI Prudential Life Insurance Company Limited	97,11,246	1.09
5	Jhunjhunwala Rekha Rakesh	96,40,575	1.09

Updation of shareholders details

1. Shareholders holding shares in physical form are requested to notify any changes to the Company/ its RTA, promptly by a written request under the signature of sole/first joint holder; and

2. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

Nomination of Shares

As per the provisions of Section 72 of the Act, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13. Shareholders holding shares in physical form may submit the same to TSR. Shareholders holding shares in electronic form may submit the same to their respective Depository Participant.

Requirement of PAN

Shareholders holding shares in physical form are mandatorily required to furnish self-attested copy of PAN Card in the following cases:

1. Transferee's and Transferor's PAN Cards for transfer of shares;

2. Legal Heirs'/Nominees' PAN Cards for transmission of shares;

3. Surviving joint holder's PAN for deletion of name of the deceased shareholder;

4. Shareholder's PAN Card for dematerialization of shares;

5. Shareholder's and surety's PAN for issuance of duplicate share certificate; and

6. Shareholder's and Nominee's PAN Card for registration of nomination of shares.

Investor Awareness

The investors can access generally available information about the Company in the given link: https://www.titancompany.in/

The Company is committed towards promoting effective and open communication with all the stakeholders, ensuring consistency and clarity of disclosure at all times. The Company interacts with the investors through a variety of forums including earnings call, investor conferences etc. The Company also uploads investor presentations on its website.

TDS on Dividend

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f 1st April 2020 and the Company is required to deduct TDS from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (the "IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ("DPs") or in case shares are held in physical form, with the Company by sending documents through e-mail by Friday, 23rd July 2021. For the detailed process, please click here: https://www.titancompany.in/sites/default/files/Dividend%20-%20Communication%20on%20 Tax%20deduction.pdf

Business Responsibility Report 2020-21

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L74999TZ1984PLC001456
2. **Name of the Company :** Titan Company Limited
3. **Registered address :** 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu - 635 126
4. **Website :** www.titancompany.in
5. **E-mail id :** sridharne@titan.co.in
6. **Financial Year reported :** 1st April, 2020 to 31st March, 2021
7. **Sector(s) that the company is engaged in (Industrial activity code-wise) :**

NIC Code	Product Description
2652	Watches
3211	Jewellery
32507	Eyewear

8. **List key three products / services that the Company manufactures/provides (as in balance sheet):**
   a. Watches & Wearables
   b. Jewellery
   c. Eyewear
9. **Total Number of locations where business activity is undertaken by the company**
   a. Number of International locations: The Company's products are distributed across 32 countries.
   b. Number of national locations: 1792 exclusive retail outlets (company owned and franchisee) and 11 manufacturing and assembly facilities.
10. **Markets served by the Company:** The Company sells its products across India as well as in several countries around the world.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (INR):** ₹ 88.78 crore
2. **Total Turnover (INR):** ₹ 20,602 crore
3. **Total Profit after Taxes (INR):** ₹ 877 crore
4. **Total CSR spending as percentage of Profit after Tax (INR):** ₹ 37.55 crore which exceeds 2% of the Average Net Profit of the Company for the last 3 financial years.
5. **List of activities in which spends have been incurred:** Refer Annexure II to the Board's Report

SECTION C: OTHER DETAILS

1. Does the company have any subsidiary Company / Companies? **Yes**
2. Do the Subsidiary Company/companies participate in the BR initiatives of the parent company : **No**
3. Does any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? (less than 30%, 30-60%, more than 60%)

   Yes. Less than 30%

SECTION D: BR INFORMATION

1. **Details of Director / Director responsible for BR**

   (a) Details of Director/Director responsible for implementation of the BR policy/policies

   1. DIN : 05228157
   2. Name: Mr. C K Venkataraman
   3. Designation : Managing Director

   (b) Details of BR Head

   1. DIN : Not Applicable
   2. Name : Mr. N E Sridhar

3. Designation : Associate Vice President and Head-Corporate Sustainability

4. Telephone : 080 67046847

5. E-mail id : sridharne@titan.co.in

2. Principle wise (as per National Voluntary Guidelines) BR policy /policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If Yes, specify. (Refer Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online (Refer Note 3)	1,2	1,4,6	1	1,3,5	1	1,4	1	1,5	1,6
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy or policies to address the stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1:

The Company has adopted the Tata Code of Conduct ("the Code") which encompasses within it ethics, transparency and accountability. The Code articulates the Tata Group's values and ideals that guide and govern the conduct of the group companies and outlines the Company's commitment to each of its stakeholders, including the communities in which the Company operates.

At the Company, the governance aspects of the Code is overseen at the highest level by a Board Ethics Committee which is chaired by an Independent Director and the internal structure comprises of a Chief Ethics Counsellor and a team of ethics counsellors who oversee and implement the Code across the organisation and the stakeholders.

Various internal polices in line with the Code including policies on Prevention of Sexual Harassment, Whistle Blower Policy, acceptance of gifts etc. are in place. The ethics team through its awareness sessions and communication mechanisms enable greater awareness in the Company.

The Company also has an Occupational Health and Safety as well as a Sustainability Policy and is committed to integrate social and ethical principles into its products that are safe and contribute to sustainability throughout their life cycle The Company is dedicated towards the well-being of its employees and has policies that not only support employee welfare but also enable their enhanced engagement with the Company. Towards serving the needs of the community, the Company has a CSR Policy and Affirmative Action Policy with various programs driven as part of its CSR activities. With Integrity and Trust as the pillars on which the Company operates, the Company understands and recognizes the impact it has on the larger ecosystem and hence the Tata Code of Conduct which embodies the policies and principles of respecting and promoting human rights is communicated to all stakeholders for their adherence. In line with the requirements of the Tata Code of Conduct, the Company has developed various internal policies that reinforce the Company's practices towards various stakeholders. The Company, where appropriate, also engages in advocacy and outreach and in policy making and participating in various business forums with specific emphasis on improving transparency in the unorganized sectors.

The Company has adopted the Tata Code of Conduct which encompasses within it ethics, transparency and accountability. The Company also has an Occupational Health and Safety as well as a Sustainability Policy and is committed to integrate social and ethical principles into its products that are safe and contribute to sustainability throughout their life cycle and this is embodied in the Company's vision statement "We create elevating experience for the people we touch and significantly impact the world we work in". The Company is dedicated towards the well-being of its employees and has policies that not only support employee welfare but also enable his/her enhanced engagement with the Company. Towards serving the needs of the community, the Company has a CSR Policy and Affirmative Action Policy with various programs driven as part of its CSR activities. With Integrity and Trust as the pillars on which the Company operates, the Company understands and recognizes the impact it has on the larger ecosystem and hence the Tata Code of Conduct which embodies the policies and principles of respecting and promoting human rights is communicated to all stakeholders for their adherence. In line with the requirements of the Tata Code of Conduct, the Company has developed various internal policies that reinforce the Company's practices towards various stakeholders. The Company, where appropriate, also engages in advocacy and outreach and in policy making and participating in various business forums with specific emphasis on improving transparency in the unorganized sectors.

Note 2:

All policies have been developed by the Tata Group, as a result of detailed consultations and research on the best practices adopted and these apply to all the Tata Group companies. Further, the Company is certified ISO 9000 for Quality Management systems, ISO 14001 for Environment Management Systems, and upgraded recently to ISO 45001 international standards for Occupational Health & Safety. Titan is the first such company in the country to encompass all its locations factories, offices, company owned stores and CFAs. The Company's Watches Division is certified under ISO 50001 Energy Management system. The Company's new corporate office has been certified with a "LEED Platinum Rating".

Note 3:

The following policies can be accessed at:

1: Tata Code of Conduct

2: Whistle Blower Policy

3: CSR Policy

4: Sustainability Policy

5: Affirmative Action Policy

6: Occupational Health and Safety Policy

The above policies can be accessed at https://www.titancompany.in/investors/corporate-governance/policies

Note 4:

All policies applicable to the Company are evaluated internally and updated on an ongoing basis. On a biennial basis there is an internal survey conducted on the effectiveness of implementation of the Tata Code of Conduct, and summary of the outcomes are presented to the Board Ethics committee

(b) **If answer to question at serial number 1 against any principal is 'No', please explain why:**

Not Applicable

3. **Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, committee of the board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year**

Seven Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The Board at its meetings reviews updates on sustainability, CSR and environment, health and safety.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently is it published?**

Yes, the Company publishes its Business Responsibility Report annually and is available at https://www.titancompany.in/csr

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy related to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the group/JV/Suppliers/Contractors/NGO's others?**

No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to its group/JV/Suppliers/Contractors/NGO's etc.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details in about 50 words or so.**

The Company's stakeholders include its investors, customers, vendors, employees, government and local communities.

During the financial year 2020-21 the Company had received 18 ethics complaints out of which 13 have been disposed-off with appropriate action taken and the remaining 5 complaints are under review.

For details on investor complaints and resolution, please refer to "Investor Complaints" in the Corporate Governance Report. For details on Customer Complaints, please refer Principle 9 under this Section-E.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.**

The three product categories, i.e., Watches & Wearables, Jewellery and Eyewear incorporate principles of Environmental Management System (EMS) in their management system practices as part of their operations.

2. **For each product, provide the following details in respect of resource usage (energy water, raw material, etc.):**

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

Energy:

Energy	Units	Total
Diesel	Lakh Litres	4.89
LPG	Kgs	90941.00
Electricity	Lakh Units	328.94
Wind energy	Lakh Units	88.78
Steam	Kg	2816075.00
Hydrogen	m3	8449.30
Hydro Fluorocarbons (Freon gas)	Kg	52.50
Solar	Lakh Units	24.61

Energy consumed and the sources-2020-21

The Company and its divisions continue to harness energy from renewable energy sources such as solar and wind, thereby positively impacting the environment and hence reduction in carbon emissions. Apart from this, pursuit of several initiatives have led to energy savings despite increased levels of operations across all areas.

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Water:

Consolidated - Water Consumed in 2020-2021

Division	Water Consumed	Water Recycled	% of Water Recycled
Watches & Wearables	65420	53331	81.52%
Jewellery	29982	29124	97.14%
Eyewear	10407	9887	95.00%
Corporate & Offices	31308	8401	26.83%
Company Retail Stores	25000	2500	10.00%
Total	**162117**	**103243**	**63.68%**

Increased focus and significant efforts in conservation, recycling and reuse have not only resulted in reduced water consumption but the level of recycling has increased to 63 %. This has been made possible by treating the output water for gardening, usage in toilets and other purposes. Rain water harvesting has been one of the biggest initiatives to conserve water.

3. Does the company have procedures in place for sustainable sourcing including transportation? If yes provide details of what percentage has been sourced sustainably:

Each vendor is viewed as a partner in the process of business growth, and also as enablers of mutual long term sustainable growth. The Company believes in investing time and effort in building mutually beneficial relationships. The business responsibility extends to the supply chain partners – the people from where the products are sourced from and the people to whom key processes are outsourced. Vendors are a part of the Company's ecosystem and their relationship with the Company is a reflection of the same.

Each Division of the Company has its own supply chain process. In the Jewellery division, plain gold and a part of studded Jewellery making is largely outsourced and the vendor base varies from large diamond providers to Karigars. The Company's association with Jewellery Karigars in creating a Karigar Centre is a benchmark in creating sustainable livelihood engagement in the industry. Moreover, the Company has supported Self-Help Groups (SHGs) of women at Hosur which has grown in strength over the past two decades, and supports various manufacturing activities for all the Divisions at Hosur.

Suppliers are guided in process and system improvement and enhanced technical know-how.

The Jewellery Division has implemented processes to enable responsible sourcing across its supply chain. Details of responsible sourcing and policies are covered under the section Supply Chain Management and Responsible sourcing part of Integrated Report section.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company's key intent is helping local suppliers scale up and improve their operations, and ensuring sustainable livelihood in the neighborhood of its operations and also expects to build stronger and long-term ties with them. The local vendors are further supported by:

- Training them on quality and environmental aspects like energy conservation, reduced usage of plastic materials and handling hazardous products.
- Providing the necessary support on implementing safety, through safety training, audits and building capacity.
- Motivating them to get certified to the ISO standards – ISO 9001 and ISO 14001, to improve their processes and also through programs to help them on safety related practices towards a larger goal of ensuring sustainable supply chain practices.

The Karigar Centre initiative in the Jewellery Division and the women's SHG in our plant location at Hosur are classic examples of enabling local vendor development and sourcing.

The vendors are also apprised on the requirements of the Tata Code of Conduct.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also provide details in about 50 words or so.

Yes >10%. The Company has adopted a focused strategy towards waste management through waste minimization and conservation of resources. This continued effort to eliminate, recycle and reuse waste, has resulted in less waste being disposed. Gold is recycled at the Jewellery plant and silver is recovered from old batteries, brass is sent to the supplier for recycling. Brass scrap in watch case manufacturing is recycled. The wood packaging is reused and there is an attempt to recycle most of the input materials. Gold, which is one of the key raw materials, is 100% recyclable and Jewellery obtained through the Company exchange programs are recycled. The E-waste is segregated at source and disposed safely.

In a small but impactful manner, the Company has come up with a scientific disposal facility for used watch batteries collected at service centers and stores. Metallic, non-metallic components and hazardous chemicals are being segregated and neutralized properly for safe disposal. Besides, the Company also educates customers about the harmful effects of unscientific battery disposal.

The bio-waste from canteens and factories is run through a vermi-compost setup which yields manure and surplus manure is sold to local farmers at subsidized prices.

Waste generation is contained within the limits prescribed by the Central Pollution Control Board (CPCB) and applicable State Pollution Control Boards (SPCBs) across all Divisions.

Principle 3

1. Please indicate the total number of employees

7235 employees as on 31st March 2021

2. Please indicate the total number of employees hired on temporary/contractual and casual basis

An indicative number of the employees hired in contractual/temporary basis were approximately 4500 as on 31st March 2021

3. Please indicate the number of permanent women employees

There were1917 women employees as on 31st March 2021

4. Please indicate the number of permanent employees with disabilities

150 employees as on 31st March 2021

5. Do you have an employee association that is recognized by the management?

Yes.

6. What percentage of your permanent employees is members of this recognized employee association?

21.58% of the permanent employees are members of the recognized employee association

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

The Company has adopted a Policy on Prevention of Sexual Harassment at Workplace and has internal committees to deal with concerns raised by employees.

During the financial year 2020-21, the Company had received 4 complaints of sexual harassment, 3 of which closed with appropriate action taken and 1 complaint is under review.

There were no complaints in other areas.

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

a) Permanent employees

b) Casual / temporary/contractual employees

c) Employees with disabilities

80% of the permanent employees and 90% of the temporary employees were given safety training. All employees who join the Company are covered under safety and occupational health training. This training includes ergonomics, life-saving skills, emergency preparedness, electrical safety and behavioural based safety. Employees and drivers of Company-hired vehicles are trained on defensive driving techniques.

The Company has also implemented a unique prevention oriented safety engagement program, "Project Suraksha", which focuses on safety at stores and has been in place since the last four years.

A formal training program for different employee categories is in place for both competency and skill enhancement. These cover leadership development, behavioural, managerial and functional development programs.

Titan has been successfully upgraded to ISO 45001 standard on occupational Health and Safety from OHSAS 18001. People are trained on the identification of Hazards and Mitigation of Risk as part of ISO 45001 standard certification.

Implementation of safety protocol for managing COVID-19 pandemic at manufacturing units, offices, retail stores and vendor units including deep cleaning, disinfection and fumigation of the premises. Periodic review on prevention and preparedness to handle COVID-19 related challenges were also undertaken.

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged vulnerable and marginalized stakeholders? If so provide details in about 50 words

Yes. The CSR and Affirmative Action Policies cover these in detail. The Company has been a strong advocate of diversity and inclusion through its practices.

The Company's CSR focus is driven by broad themes such as upliftment of the underprivileged girl child, skill development for the underprivileged and support for Indian Arts, Crafts and Heritage. Details of the CSR programs are available in Annexure II of the Board's Report.

The Company identifies a huge opportunity to improve the quality of living of the people through its businesses. Some of the successful and ongoing initiatives include the following:

- The Company also ensures adequate and fair representation of differently-abled in the recruitment process. The Company engages differently abled employees wherever possible on merit. The Company has tie-ups with NGOs in this field to give employment opportunities to the differently-abled people in roles such as retail sales officer, cashier, MIS officer, etc.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/JV partners/Suppliers /Contractors/NGO's others?

The Company's policy on human rights as embedded in the Tata Code of Conduct extends to the Group/JV, Subsidiaries, contractors and others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

No complaints with respect to human rights were received during the year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/JV/Suppliers / Contractors/NGO's / others?

No, the policy extends to Group/JV/Suppliers/Contractors/ NGO's / others, etc.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes give hyper link for webpage etc.

Yes, the Company has adopted a sustainability policy. Please refer to https://www.titancompany.in/investors/corporate-governance/policies

3. Does the company identify and assess potential environmental risks?

Yes as part of Environmental Management System implementation (ISO 14001) in its operations

4. Does the company have any project related to clean development mechanism? If so provide details thereof, in about 50 words or so. Also if yes, whether any environment compliance report is filed:

Not applicable.

5. Has the company undertaken any other initiatives on – Clean technology, energy efficiency, renewable energy etc. If Yes please give hyper link for web page:

Yes, Many programs are in place across the Divisions. The table above on Energy consumption gives an overview of the Company's focus on renewable energy, and other initiatives that towards energy efficiency. Please refer to https://www.titancompany.in/investors/corporate-governance/policies

6. Are the Emissions / Waste generated by the company within the permissible limits given by the CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year:

There were no show cause/legal notices received from CPCB/SPCB as on 31st March 2021

Principle 7

1. Is your company a member of any trade and chamber or association? If yes name only the major ones that your business deals with

1. Confederation of Indian Industry (CII)

2. Retailers Association of India (RAI)
3. Federation of Indian Chambers of Commerce & Industry (FICCI)
4. The Associated Chambers of Commerce and Industry in India (ASSOCHAM)
5. Gem and Jewellery Skill Council of India
6. Indian Optometric Association
7. All India Federation of Horological Industries

2. Have you advocated / lobbied through the above associations for the advertisement or improvement of public good? Yes/No If yes specify the broad areas

Yes, Representation regarding Jewellery industry practices, diversity and inclusion, dealing with fake and smuggled products especially watches are some of the areas.

Principle 8

1. Does the company have specified programs / initiatives / projects in pursuit of the policy related to principle 8? If yes details, thereof

Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in Annexure II to the Board's Report.

2. Are the programs / projects undertaken through in-house team/own foundation / external NGO/ government structures and any other organization:

Please refer to the CSR Report which is annexed as Annexure II to the Board's Report in this Annual Report.

3. Have you done any impact assessment of your initiative?

Yes. Please refer to the CSR Report which is annexed as Annexure II to the Board's Report in this Annual Report.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken

During the financial year 2020-21, the Company spent Rs 37.55 crore towards CSR initiatives. Details of the projects are available in Annexure II to the Board's Report.

5. Have you taken steps to ensure this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Yes. Each of the projects is having an outcome which is acknowledged by the community. The Company works with associations who have a grass root understanding of the community that makes it successful, both in the short term and long term. For more details, please refer to Annexure II to the Board's Report.

Principle 9

1. What percentage of the customer complaints / consumer cases are pending as on end of the financial year?

Customer Complaint (Products and Services)	Number of Complaints		
	Received	Resolved	Pending as on 31st March 2021
Watch Division: % of warranty complaints on sales	1.84%	1.84%	0
Eyewear Division- % of warranty complaints on sales	0.71%	0.71%	0
Jewellery Division - Nos. of warranty complaints on sales	4408	4379	29

2. Does the company display product information on the product label, over and above what is mandated by local laws?

Some of the products contain information over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the company regarding the unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide the details thereof in about 50 words or so:

There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour as on 31st March 2021.

4. Did the company carry out any consumer survey / consumer satisfaction trends?

Yes. These are carried out routinely and used for internal improvement purposes.

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Independent Auditors' Report

To the Members of Titan Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Titan Company Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone 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 31st 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 Standalone 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 standalone 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 Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

See note 2(vii) and note 19 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Company's revenue relates to jewelry and watches which involves large number of individual sales contracts having varied contractual terms with retail customers, distributors and franchisees. This increases the risk of misstatement of the timing and amount of revenue recognised to achieve specific performance targets or expectations. The Company and its external stakeholders focus on revenue as a key performance indicator. In view of the above we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems. 3. We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods.

The key audit matter	How the matter was addressed in our audit
	4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5. We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6. We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

See note 2(xvii) and note 10 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.) and watches. The Company holds inventory at various locations including factories, stores (retail outlets) and third-party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified confirmation of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2. We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems. 3. For the sampled locations, we attended physical verification of stocks conducted by the Company and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4. For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone 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 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 standalone 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 has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;

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 (excluding disputed legal cases as explained in note 16.5 to the standalone financial statements) to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st 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 Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Titan Company Limited ("the Company") for the year ended 31st March 2021

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the standalone financial statements for the year ended 31st 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 in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and 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 deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(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 Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act, with respect to the loans given, investments made, guarantees and security given. Further, there are no loans given, investments made, guarantees and security given in respect of which provisions of section 185 of the Act is applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has complied with the applicable 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 with regard to deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products manufactured by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(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 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. Also refer note 30(h) to the standalone financial statements.

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 other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services tax, Sales tax, Service tax, Duty of customs, Duty of excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Statute/ Nature of dues	Amount* (In Rs crores)	Period to which the amount relates	Forum where the dispute in pending
Excise duty (including service tax)	87 (7)	2005-2009	Supreme Court
	0.01 (0.01)	2001-2002	High Court
	10 (0.66)	1987-2012	Custom, Excise and Service Tax Appellate Tribunal
	17 (16)	1998-2010	Appellate Authority upto Commissioner's level
Sales tax/ Value added tax	0.87 (0.15)	2000-2001	High Court
	0.64 (0.35)	2009-2012	Commercial Tax Tribunal
	37 (9)	1998-2018	Appellate Authority upto Commissioner's level
Customs duty	5 (2)	2012-2017	Appellate Authority upto Commissioner's level
Income-tax	8 (8)	1998-2003	High Court (s)
	96 (38)	2005-2014	Income tax Appellate Tribunal
	141 (12)	2000-2016	Appellate Authority upto Commissioner's level

** the amounts disclosed are excluding interest and penalties, wherever applicable and amount in brackets represent amounts paid under protest.*

(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) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

(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, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(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 any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(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. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Annexure B to the Independent Auditors' report

on the standalone financial statements of Titan Company Limited for the period ended 31st March 2021.

Report on the internal financial controls with reference to the aforesaid standalone 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 Company Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone 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 31st 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial 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 Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Standalone Balance Sheet

as at 31st March 2021

₹ in crores

	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,026	1,095
(b) Capital work-in-progress	3	17	11
(c) Right-of-use assets	4	854	870
(d) Investment property	5	24	24
(e) Intangible assets	6	55	64
(f) Intangible assets under development		8	3
(g) Financial assets			
(i) Investments	7.1	759	909
(ii) Loans receivable	7.2	146	141
(iii) Other financial assets	7.3	178	159
(h) Deferred tax assets (net)	8	105	172
(i) Income tax assets (net)	8	120	141
(j) Other non-current assets	9	67	65
		3,359	**3,654**
(2) Current assets			
(a) Inventories	10	7,984	7,741
(b) Financial assets			
(i) Investments	11.1	2,753	74
(ii) Trade receivables	11.2	291	214
(iii) Cash and cash equivalents	11.3	147	50
(iv) Bank balances other than (iii) above	11.3	365	306
(v) Loans receivable	11.4	103	54
(vi) Other financial assets	11.5	187	458
(c) Other current assets	12	671	637
		12,501	**9,534**
TOTAL ASSETS		**15,860**	**13,188**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	89	89
(b) Other equity	13.2	7,464	6,736
TOTAL EQUITY		**7,553**	**6,825**
Liabilities			
(1) **Non-current liabilities**			
(a) Financial liabilities			
(i) Lease liabilities	14.1	971	967
(b) Provisions	15	143	152
		1,114	**1,119**
(2) **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	16.1	-	626
(ii) Gold on loan	16.2	4,094	1,507
(iii) Lease liabilities	16.3	178	169
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	16.4	158	63
- Total outstanding dues of creditors other than micro and small enterprises	16.4	537	447
(v) Other financial liabilities	16.5	218	191
(b) Other current liabilities	17	1,905	2,123
(c) Provisions	18	23	109
(d) Current tax liabilities (net)	8	80	9
		7,193	**5,244**
TOTAL EQUITY AND LIABILITIES		**15,860**	**13,188**
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Profit and Loss

for the year ended 31st March 2021

₹ in crores

		Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I.	Revenue from operations	19	20,602	20,010
II.	Other income	20	181	146
III.	**TOTAL INCOME (I +II)**		**20,783**	**20,156**
IV.	Expenses:			
	Cost of materials and components consumed		13,143	12,489
	Purchase of stock-in-trade		2,462	2,859
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	164	(836)
	Employee benefits expense	22	911	1,040
	Finance costs	23	181	149
	Depreciation and amortisation expense	24	331	310
	Other expenses	25	2,221	2,040
	TOTAL EXPENSES		**19,413**	**18,051**
V.	Profit before exceptional item and tax (III - IV)		**1,370**	**2,105**
VI.	Exceptional items	26	137	-
VII.	Profit before tax (V - VI)		**1,233**	**2,105**
VIII.	Tax expense:			
	Current tax	8	351	552
	Deferred tax	8	5	36
	TOTAL TAX EXPENSE		**356**	**588**
IX.	**Profit for the year (VII-VIII)**		**877**	**1,517**
X.	Other comprehensive income			
	(i) Items that will not be reclassified to the statement of profit and loss			
	- Remeasurement of employee defined benefit plans		45	(69)
	- Income-tax on (i) above		(11)	18
	(ii) Items that will be reclassified to the statement of profit and loss			
	- Effective portion of gains or (loss) on designated portion of hedging instruments in a cash flow hedge	35.6	234	(255)
	- Income-tax on (ii) above		(62)	68
	TOTAL OTHER COMPREHENSIVE INCOME		**206**	**(238)**
XI.	**Total comprehensive income (IX+X)**		**1,083**	**1,279**
XII.	Earnings per equity share of ₹ 1: {based on profit for the year (IX)}			
	Basic	28	9.88	17.09
	Diluted		9.88	17.09
	Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Changes in Equity

as at 31st March 2021

(a) Equity share capital

₹ in crores

	As at 31st March 2021	As at 31st March 2020
Opening balance	89	89
Changes in equity share capital during the year	-	-
Closing balance	**89**	**89**

(b) Other equity

	Reserves and surplus							Total other equity
						Items of other comprehensive income (refer note 13.2)		
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedge reserve	Remeasurement of employee defined benefit plans	
Balance as at 1st April 2019	**0**	**1**	**139**	**3,066**	**2,876**	**27**	**(16)**	**6,093**
Profit for the year (net of taxes)	-	-	-	-	1,517	-	-	1,517
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	(187)	(51)	(238)
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**1,517**	**(187)**	**(51)**	**1,279**
Payment of dividends (refer note 13.3)	-	-	-	-	(444)	-	-	(444)
Tax on dividends (refer note 13.3)	-	-	-	-	(91)	-	-	(91)
Transition impact of Ind AS 116	-	-	-	-	(156)	-	-	(156)
Deferred tax on transition impact of Ind AS 116 {refer note 8(a)}	-	-	-	-	55	-	-	55
Balance as at 31st March 2020	**0**	**1**	**139**	**3,066**	**3,757**	**(160)**	**(67)**	**6,736**
Balance as at 1st April 2020	**0**	**1**	**139**	**3,066**	**3,757**	**(160)**	**(67)**	**6,736**
Profit for the year (net of taxes)	-	-	-	-	877	-	-	877
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	172	34	206
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**877**	**172**	**34**	**1,083**
Payment of dividends (refer note 13.3)	-	-	-	-	(355)	-	-	(355)
Balance as at 31st March 2021	**0**	**1**	**139**	**3,066**	**4,279**	**12**	**(33)**	**7,464**

Significant accounting policies Note 2

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash flow from operating activities			
Net profit before tax		1,233	2,105
Adjustments for :			
- Depreciation and amortisation expense		331	310
- Net unrealised exchange gain		1	(3)
- (Gain)/ loss on sale/ disposal/ scrapping of property, plant and equipment (net)		6	(3)
- Provision for doubtful trade receivables (net) and bad trade receivables written off		34	2
- Interest income		(73)	(95)
- Gain on investments carried at fair value through profit and loss		(34)	(31)
- Gain on sale of investment in joint venture		(4)	-
- Dividend Income		(24)	-
- Gain on pre-closure of lease contracts		(12)	(9)
- Rent waiver (refer note 29)		(57)	-
- Impairment of investment in subsidiary (refer note 26)		137	-
- Finance costs		181	149
Operating profit before working capital changes		**1,719**	**2,425**
Adjustments for :			
- (increase)/ decrease in trade receivables		(78)	144
- (increase)/ decrease in inventories		(243)	(1,021)
- (increase)/ decrease in financial assets-loans receivables		(6)	(16)
- (increase)/ decrease in other financial assets		245	(341)
- (increase)/ decrease in other assets		(34)	53
- increase/ (decrease) in gold on loan		2,587	(781)
- increase/ (decrease) in trade payables		187	(263)
- increase/ (decrease) in other financial liabilities		254	(282)
- increase/ (decrease) in other current liabilities		(218)	295
- increase/ (decrease) in provisions		(49)	35
Cash generated from operating activities before taxes		**4,364**	**248**
- Direct taxes paid, net		(263)	(537)
Net cash generated from/ (used in) operating activities	**A**	**4,101**	**(289)**

Standalone Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(111)	(310)
Proceeds from sale of property, plant and equipment		7	8
Purchase of investments in subsidiaries and other equity instruments		(30)	(101)
Proceeds from sale of investment in joint venture		43	-
Loan repayment / (given to) received from subsidiary		2	(2)
Investment in non convertible debentures		(5)	-
Inter-corporate deposits placed		(150)	(100)
Proceeds from inter-corporate deposits		100	300
Bank deposits (placed) / matured, net		(60)	331
(Purchase) / sale of mutual funds, net		(2,640)	27
Loan given to Company's franchisees and vendors		(97)	-
Proceeds from loan given to Company's franchisees and vendors		94	-
Lease payments received from sub-lease (excluding interest received)		19	21
Dividend received from subsidiary		24	-
Interest received		60	69
Net cash (used in)/ from investing activities	**B**	**(2,744)**	**243**
C. Cash flow from financing activities			
(Repayment) / proceeds from borrowings, net		(626)	626
Dividends paid (including dividend distribution tax as applicable)		(355)	(536)
Payment of lease liabilities (excluding interest paid)		(98)	(209)
Finance costs paid		(181)	(149)
Net cash used in financing activities	**C**	**(1,260)**	**(268)**
Net cash generated / (used in) during the year (A+B+C)		**97**	**(314)**
Cash and cash equivalents (opening balance) (refer note 11.3)		50	364
Add/ (Less): Unrealised exchange (gain)/ loss		0	0
Cash and cash equivalents (closing balance) (refer note 11.3)		147	50
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings			
Opening balance		626	-
(Repayment) / proceeds from borrowings, net		(626)	626
Closing balance		-	626
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
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Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

1. Corporate Information

Titan Company Limited (the 'Company') is a public company domiciled in India, with its registered office situated at 3, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and BSE Ltd. in India.

The Company is primarily involved in manufacturing and sale of Watches, Jewellery, Eyewear and other accessories and products.

2. Significant Accounting Policies

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

Basis of preparation

i. Statement of compliance

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

ii. Basis of measurement

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

a) Certain financial assets and liabilities (including derivative instruments).

b) The defined benefit asset/ (liability) is recognised 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. Rounding of amounts

All amount disclosed in these standalone financial statements and notes have been rounded off to rupees crores as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The Company has decided to report all the amounts in crores in lieu of in lakhs as reported in the earlier from the current year. Accordingly, comparative numbers which were reported in lakhs previously have been reflected in crores in the current financial statements.

iv. Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions 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 and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised 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 31st March 2021 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and Equipment;
- Note 6 – Useful life of the Intangible assets;
- Note 7.1 – Impairment of investments

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

- Note 8 – Valuation of deferred tax assets
- Note 4, 14.1, 16.3 and 29 – Leases
- Note 30 – Provisions and contingent liabilities
- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35.1 and note 35.2 – Fair value measurement of financial instruments.

v. 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 currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

vi. 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 following notes:

- Note 4– Investment property
- Note 35- Financial Instruments.

vii. Revenue recognition

The Company recognises revenue when the control of goods being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled based on various customer terms including at the time of delivery of goods, dispatch or upon customer acceptance based on various distribution channels. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets are classified as other assets. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Customer loyalty programmes

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative standalone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

b) Service income: Service income is recognised on rendering of services based on the agreements / arrangements with the concerned parties.

c) Dividend and interest income: Dividend income from investments is recognised when the Company's right to receive the payment has been established i.e., either when the dividend is declared or when shareholders approve the dividend in case of equity investments.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

Other Operating Income:

Indirect tax incentives are recognised when the right to receive the amount as per the terms of scheme is established in respect of industrial promotion scheme applicable to the respective units.

Use of significant judgements in revenue recognition:

a) 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.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. 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 estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

c) 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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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 recognised as it accrues in the statement of profit and loss using effective interest rate method.

Commission income is generally recognised when the related sale is executed as per the terms of the agreement.

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.

viii. Leases

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

Company as a Lessee

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

a) Right-of-use assets:

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

i) the amount of the initial measurement of lease liability

ii) any initial direct costs

iii) restoration costs

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

b) Lease Liabilities:

Lease liabilities are measured at present value of following components:

i) fixed payments less any lease incentives receivable

ii) amounts expected to be payable by the Company under residual value guarantee

Incremental borrowing rate used for discounting has been determined by taking the interest rates obtained from financial institutions for borrowing the similar value of right of use assets for similar tenure. The rates will be reassessed on a yearly basis at the beginning of each accounting period to reflect changes in financial conditions.

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 on a short-term leases are recognised as expense on a straight-line basis over the lease term.

d) Variable payments:

Variable lease payments that depend on sales are recognised in the Statement of profit or loss in the period in which the condition that triggers those payments occurs.

Company as a Lessor:

In case of sub-leasing, where the Company, being the original lessee and intermediate lessor, grants a right to use the underlying asset to a third party, the head lease is recognised as lease liability and sub-lease is recognised as lease receivables in the Balance Sheet of the Company. Interest expense is charged on the lease liability and interest income is recognised on lease receivables in the statement of profit or loss.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

ix. Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised 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 translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as cash flow hedge (refer note xxi(b)).

x. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xi. 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.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

The 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 and when services are rendered by the employees.

Defined benefit plan

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

The contribution to the Company'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 and when services are rendered by the employees.

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.

xii. Taxation

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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 realised.

Deferred income tax liabilities are recognised 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 recognised, 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.

For operations carried out in notified units covered under Section 80 IC of the income tax Act 1961, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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

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

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

xiii. Property, Plant and Equipment

a) *Recognition and measurement:*

Land and buildings held for use in the production or supply of goods or services,

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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 the 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 land is not depreciated.

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

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

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

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

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for the year ended 31st March 2021

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.

xiv. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

The investment property includes only land held by the Company and accordingly no amortization of the investment property is recorded in the statement of profit and loss.

The fair values of the investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

xv. Intangible assets

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

The estimated useful lives of intangible assets are as follows:

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

Intellectual properties - 5 years

Patents - 5 years

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

xvi. Impairment

Impairment of financial assets:

The Company recognises 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 recognised 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

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for the year ended 31st March 2021

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.

xvii. Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realizable value determined on an item-by-item basis. Cost is determined as follows:

a) Gold is valued on first-in-first-out basis.

b) Stores and spares, loose tools and raw materials are valued on a moving weighted average rate.

c) Work-in-progress and finished goods (other than gold) are valued on full absorption cost method based on the moving average cost of production.

d) Traded goods are valued on a moving weighted average rate/ cost of purchases.

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, other taxes.

Unfixed gold is valued at the provisional gold price prevailing on the date of delivery of gold.

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

xviii. Provisions and contingencies

Provisions: A provision is 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 is 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.

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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.

xix. Investment in subsidiaries, associate and joint venture

Investment in subsidiaries, associate and joint venture is measured at cost less provision for impairment.

xx. Financial instruments

Recognition of financial assets:

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

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

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortised cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

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

i) Financial assets at amortised 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.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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for the year ended 31st March 2021

ii) Investments in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value either in the statement of profit and loss or in other comprehensive income pertaining to equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

iii) Investments in equity instruments at FVTPL

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.

c) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Whether the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks

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and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) Financial liabilities: classification, subsequent measurement and derecognition:

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such in initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/ Other expenses' line item.

The Company has designated amount payable for gold taken on loan from banks on initial recognition as fair value through profit and loss.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial

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liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

xxi. Derivative financial instruments

a) *Derivative instruments not designated as Cash flow hedges:*

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, future contracts and Options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) *Cash flow hedges*

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments. The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold,

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terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss.

The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

c) *Fair Value Hedge:*

The Company designates non derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Company has designated the trade payables pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

xxii. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM).

The Company's primary segments consist of Watches and wearables, Jewellery, Eyewear, Corporate and Others, where 'Others' include Fragrances, Indian dress wear and Accessories. Secondary information is reported geographically.

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

xxiii. 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.

xxiv. Cash and cash equivalents

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

xxv. 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.

xxvi. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-

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controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

xxvii. 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:

Balance Sheet:

- 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
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- 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.
- 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:

- 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 standalone financial statements.

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

Notes to the Standalone Financial Statements

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3 Property, plant and equipment

₹ in crores

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Furniture and fixtures	Office equipment	Vehicles	Total
Gross block								
As at 1st April 2019	79	321	508	83	234	42	20	1,287
Additions	-	28	72	27	72	20	11	230
Disposals	-	0	6	4	13	2	6	31
As at 31st March 2020	**79**	**349**	**574**	**106**	**293**	**60**	**25**	**1,486**
As at 1st April 2020	79	349	574	106	293	60	25	1,486
Additions	-	2	18	23	30	9	4	86
Disposals	-	0	9	3	29	3	3	47
As at 31st March 2021	**79**	**351**	**583**	**126**	**294**	**66**	**26**	**1,525**
Accumulated depreciation								
As at 1st April 2019	-	24	116	31	85	18	6	280
Depreciation expense	-	9	48	22	42	9	7	137
Disposals	-	0	4	4	11	2	5	26
As at 31st March 2020	**-**	**33**	**160**	**49**	**116**	**25**	**8**	**391**
As at 1st April 2020	-	33	160	49	116	25	8	391
Depreciation expense	-	9	48	23	44	11	7	142
Disposals	-	-	6	3	21	2	2	34
As at 31st March 2021	**-**	**42**	**202**	**69**	**139**	**34**	**13**	**499**
Net carrying value								
As at 31st March 2020	**79**	**316**	**414**	**57**	**177**	**35**	**17**	**1,095**
As at 31st March 2021	**79**	**309**	**381**	**57**	**155**	**32**	**13**	**1,026**

₹ in crores

Particulars	Capital work-in-progress
As at 1st April 2019	**25**
Additions	216
Capitalisations	230
As at 31st March 2020	**11**
As at 1st April 2020	11
Additions	92
Capitalisations	86
As at 31st March 2021	**17**

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for the year ended 31st March 2021

4 Right-of-use assets*

₹ in crores

Particulars	Leasehold land	Buildings	Total
As at 1st April 2019- Transition impact of Ind AS 116	21	693	714
Additions	-	327	327
Modifications/ terminations	-	28	28
As at 31st March 2020	**21**	**992**	**1,013**
As at 1st April 2020	21	992	1,013
Additions	-	229	229
Modifications/ terminations	-	108	108
As at 31st March 2021	**21**	**1,113**	**1,134**
Accumulated amortisation			
As at 1st April 2019- Transition impact of Ind AS 116	-	-	-
Amortisation expense	0	152	152
Modifications/ terminations	-	9	9
As at 31st March 2020	**0**	**143**	**143**
As at 1st April 2020	-	143	143
Amortisation expense	0	161	161
Modifications/ terminations	-	24	24
As at 31st March 2021	**0**	**280**	**280**
Net carrying value			
As at 31st March 2020	**21**	**849**	**870**
As at 31st March 2021	**21**	**833**	**854**

**Also, refer note 29*

5 Investment property

₹ in crores

Particulars	Land
As at 1st April 2019	24
Additions	-
Disposals	-
As at 31st March 2020	**24**
As at 1st April 2020	24
Additions	-
Disposals	-
As at 31st March 2021	**24**
Net carrying value	
As at 31st March 2020	**24**
As at 31st March 2021	**24**

a) The Company's investment properties consist of freehold land and therefore no depreciation is chargeable.

b) Fair market value of land at ₹ 102 crores (Previous year: ₹ 102 crores) have been arrived at on the basis of valuations carried out by Chartered Engineer during the years ended 31st March 2021 and 31st March 2020.

c) No rental income has been accrued against these properties.

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6 Intangible assets

₹ in crores

Particulars	Trademarks	Intellectual properties	Patents	Computer softwares	Total
Gross block					
As at 1st April 2019	3	-	-	62	65
Additions*	-	6	8	32	46
Disposals	-	-	-	-	-
As at 31st March 2020	**3**	**6**	**8**	**94**	**111**
As at 1st April 2020	3	6	8	94	111
Additions	-	-	-	19	19
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**6**	**8**	**113**	**130**
Accumulated amortisation					
As at 1st April 2019	3	-	-	24	27
Amortisation expense	-	0	0	20	20
Disposals	-	-	-	-	-
As at 31st March 2020	**3**	**0**	**0**	**44**	**47**
As at 1st April 2020	3	0	0	44	47
Amortisation expense	-	1	2	25	28
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**1**	**2**	**69**	**75**
Net carrying value					
As at 31st March 2020	**-**	**6**	**8**	**50**	**64**
As at 31st March 2021	**-**	**5**	**6**	**44**	**55**

** During the previous year, the Company acquired intellectual properties and patents from HUG Innovations LLP and HUG Innovations Corp (collectively referred as "Hug Innovations") on 6th and 9th January 2020 respectively for a cash considerations of ₹ 14 crores.*

7 Financial assets

7.1 Investments

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
1) Investment in equity instruments (unquoted)		
(i) In subsidiary companies (at cost unless stated otherwise)		
47,050,000 (Previous year: 47,050,000) fully paid equity shares of ₹ 10 each in Titan Engineering & Automation Limited	235	235
24,036,325 (Previous year: 24,036,325) fully paid equity shares of ₹ 2 each in Caratlane Trading Private Limited	505	505
1 (Previous year: 1) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO	0	0
20,00,000 (Previous year: Nil) fully paid equity shars of ₹ 10 each in Titan Commodity Trading Limited	2	-
18,71,897 (Previous year: 18,71,897) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	257	257
Less: Provision for impairment in value of investment (refer note 26)	(257)	(145)
	-	**112**
	742	**852**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
(ii) In joint venture company (at cost unless stated otherwise)		
Nil (Previous year: 38,856,265) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited {refer note a) below}	-	39
(iii) In associate company (at cost unless stated otherwise)		
1,500,000 (Previous year: 1,500,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {refer note b) below}	2	2
	744	893
2) Other investments		
i) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0	0
2,511 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	0	0
6,638 (Previous year: 6,638) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	0	0
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	0	0
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	0	0
	0	**0**
ii) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)	10	16
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	0	0
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	0	0
	10	**16**
iii) Investments in non-convertible debentures carried at amortised cost - unquoted		
Investment in non convertible debentures	5	-
	5	**-**
Aggregate value of investments	**759**	**909**
Aggregate book value of quoted investments	**0**	**0**
Aggregate market value of quoted investments	**0**	**0**
Aggregate book value of unquoted investments	**759**	**909**
Aggregate amount of impairment in value of investments	**257**	**145**

Notes:

a) The Company has disposed off its entire shareholding in Montblanc India Retail Private Limited to its Joint venture partner at a consideration of ₹ 43 crores after exercising the full put option as per the joint venture agreement. The requisite formalities were completed on 12th March 2021 and the Company has recognised gain on sale of investment in joint venture amounting to ₹ 4 crores under the head "Other income" during the year ended 31st March 2021.

b) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited in accordance with the Equity Participation agreement.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

7.2 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Security deposits	105	100
Employee loans	41	41
	146	**141**

7.3 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease receivables	169	151
Other assets	5	8
Share application money paid for investment in subsidiary	28	-
Less: Provision for impairment in value of investment (refer note 26)	(24)	-
Share application money paid for investment in subsidiary, net	4	-
	178	**159**

8 Income tax

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax assets	121	195
Deferred tax liabilities	(16)	(23)
	105	**172**

Particulars	As at 1st April 2020	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2021
Deferred tax assets				
Provision for doubtful trade receivables	1	9	-	10
Employee benefits	40	(5)	-	35
Compensation towards Voluntary retirement of employees	7	(6)	-	1
Fair value of investments	48	(12)	-	36
Cash flow hedges	58	-	(62)	(4)
Lease liabilities (net of Right-of-use assets)	41	2	-	43
Others	-	-	-	-
Deferred tax liability				
Property, plant and equipment	(23)	7	-	(16)
	172	**(5)**	**(62)**	**105**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 1st April 2019	On adoption of Ind AS 116	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2020
Deferred tax assets					
Provision for doubtful trade receivables	1	-	-	-	**1**
Employee benefits	46	-	(6)	-	**40**
Compensation towards Voluntary Retirement of employees	17	-	(10)	-	**7**
Fair value of investments	62	-	(14)	-	**48**
Cash flow hedges	(10)	-	-	68	**58**
Lease liabilities (net of Right-of-use assets)	-	55	(14)	-	**41**
Others	2	-	(2)	-	-
Deferred tax liability					
Property, plant and equipment	(33)	-	10	-	**(23)**
	85	**55**	**(36)**	**68**	**172**

b) Amounts recognised in statement of profit and loss

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income tax expenses		
Current tax	351	552
Deferred tax	5	36
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	11	(18)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	62	(68)
Tax expense for the year	**429**	**502**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	1,233	2,105
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	310	530
Effect of:		
Expenses that are not deductible in determining taxable profit	39	20
Income taxes relating to earlier periods	-	(2)
Effect of rebate	(6)	-
Tax charge/(credit) on gratuity disclosed in OCI	-	18
Effect of change in income tax rate*	-	28
Others	13	(6)
Income tax expense recognised in the statement of profit and loss	**356**	**588**

**From the Assessment Year 2020-21 relevant to the previous year 2019-20, the Company elected 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 recognized provision for income tax for the previous year ended 31st March 2020 and computed deferred tax based on the rate prescribed in the said section.*

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Income tax assets (net)	120	141
Current tax liabilities (net)	80	9
Net current income tax assets at the end of the year	**40**	**132**

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net current income tax assets at the beginning of the year	132	112
Income tax paid	263	537
Current income tax expense	(351)	(552)
Interest income on income-tax refund	7	17
Income tax on other comprehensive income	(11)	18
Net current income tax assets at the end of the year	**40**	**132**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

9 Other non-current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Capital advances	24	21
Balance with revenue authorities	40	40
Other assets (includes deferred lease cost and deferred employee cost)	3	4
	67	**65**

10 Inventories

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Raw materials	1,770	1,362
Work-in-progress {refer (a) below}	330	308
Finished goods	4,433	4,514
Stock-in-trade	1,430	1,535
Stores and spares	16	16
Loose tools	5	6
	7,984	**7,741**
Included above, goods-in-transit		
Raw materials	5	8
Stock-in-trade	1	2
	6	**10**
a) Details of inventory of work-in-progress		
Watches	134	162
Jewellery	194	144
Others	2	2
	330	**308**

(i) The cost of inventories recognised as an expense during the year is ₹ 15,769 crores (Previous year: ₹ 14,512 crores).

(ii) The cost of inventories recognised as an expense includes ₹ 0.38 crore (Previous year: ₹ 1 crore) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 4,094 crores (Previous year: ₹ 1,507 crores).

(iv) Refer note (xvii) under significant accounting policies for mode of valuation.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11 Financial assets

11.1 Investments

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
Name of the fund	No of units	Amount	No of units	Amount
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	32,17,960	107	4,38,283	14
Axis Overnight Fund - Direct Plan - Growth	-	-	3,78,966	40
Tata Overnight Fund-Direct Plan-Growth	-	-	1,89,817	20
Aditya Birla Sun Life Savings Fund - Direct Plan - Growth	11,89,273	51	-	-
Axis Treasury Advantage Fund - Direct Plan- Growth	2,04,535	51	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	1,61,81,055	45	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	49,48,401	151	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	12,10,792	51	-	-
Kotak Equity Arbitrage Fund - Direct Plan - Growth	1,50,04,578	45	-	-
Kotak Savings Fund- Direct Plan - Growth	1,46,55,362	51	-	-
SBI Magnum Ultra Short Duration Fund - Direct Plan - Growth	1,07,564	51	-	-
HDFC Money Market Fund - Direct Plan - Growth	6,10,688	273	-	-
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	88,02,851	253	-	-
L&T Ultra Short Term Fund - Direct Plan - Growth	1,44,04,766	51	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	1,02,72,122	303	-	-
Kotak Money Market Scheme - Direct Plan - Growth	7,24,493	252	-	-
HDFC Ultra Short Term Fund - Direct Plan - Growth	4,26,13,806	51	-	-
Nippon India Money Market Fund - Direct Plan - Growth	9,39,263	302	-	-
IDFC Ultra Short Term Fund - Direct Plan - Growth	4,22,43,504	51	-	-
Aditya Birla Sun Life Low Duration Fund - Direct Plan - Growth	9,15,643	51	-	-
Nippon India Arbitrage Fund - Direct Plan - Growth	2,08,07,996	45	-	-
Tata Arbitrage Fund - Direct Plan - Growth	3,96,13,175	45	-	-
Nippon India Liquid Fund - Direct Plan - Growth	2,99,520	151	-	-
HDFC Low Duration Fund - Direct Plan - Growth	1,06,60,130	51	-	-
SBI Savings Fund - Direct Plan - Growth	7,34,63,725	251	-	-
HDFC Arbitrage Fund - Direct Plan - Growth	1,30,07,480	20	-	-
		2,753		**74**
Aggregate value of unquoted investments		2,753		74

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11.2 Trade receivables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Considered good- unsecured*	294	218
Less: Allowance for doubtful trade receivables	(3)	(4)
	291	**214**
Credit impaired	3	3
Less: Allowance for doubtful trade receivables	(3)	(3)
	-	-
	291	**214**

** Includes dues from related parties - refer note 34.*

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

Age of receivables	Expected credit loss (%)			
	Watches	Jewellery	Eye-wear	New Category
Within credit period	0%	0%	2%	8%
Less than 1 year	0%	2%	3%	2%
1 to 2 years	21%	0%	20%	17%
2 to 3 years	20%	6%	50%	24%
Over 3 years	100%	36%	100%	33%

₹ in crores

Age of receivable	As at 31st March 2021	As at 31st March 2020
Within credit period	269	95
Less than 1 year	22	122
1 to 2 years	4	-
2 to 3 years	1	1
Over 3 years	1	3
	297	**221**

Movement in the expected credit loss allowance

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at the beginning of the year	7	5
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1)	2
Balance at the end of the year	**6**	**7**

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11.3 Cash and bank balances

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
Cash on hand	12	6
Cheques, drafts on hand	8	4
Balances with banks		
(i) Current account {refer note (a) below}	102	40
(ii) Demand deposit	25	-
Total cash and cash equivalents	**147**	**50**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	11	11
- Unclaimed debenture and debenture interest	0	0
(iv) Demand deposit	-	28
(v) Fixed deposits held as margin money against bank guarantee	54	11
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	300	256
Total other bank balances	**365**	**306**
	512	**356**

Notes:

a) *The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 34 crores (Previous year: ₹ 3 crores).*

b) *This amount represents restricted cash maintained for the golden harvest scheme for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended.*

c) *The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 have not been made since the requirement does not pertain to financial year ended 31st March 2021.*

11.4 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Inter-corporate deposits	195	145
Less: Provision for impairment	(145)	(145)
Inter-corporate deposits, net	50	-
Security deposits	30	30
Loan to subsidiary (refer note 34)	-	2
Employee loans	23	22
	103	**54**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11.5 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Refunds due from government authorities	128	121
Margin money for gold future contracts	41	245
Provision for doubtful margin money deposits {refer note (a) below}	(34)	-
Margin money for gold future contracts, net	7	245
Derivative instruments other than in designated hedge accounting relationships	1	3
Advance to subsidiary (refer note 34)	-	5
Lease receivables	22	24
Other assets (mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	29	60
	187	**458**

(a) Based on its assessment of recoverability, the Company has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

12 Other current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured and considered good		
Advances to suppliers	82	76
Prepaid expenses	24	30
Balance with government authorities {refer note (a) below}	443	422
Contract asset {refer note (b) below}	97	101
Gratuity {refer note 32 (b) }	18	-
Other assets (includes deferred lease cost and deferred employee cost)	7	8
	671	**637**

(a) Balance with government authorities includes GST credits of ₹ 429 crores (Previous year: ₹ 413 crores) in respect to GST input credit, transitional credit and deemed credit.

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 17.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

13.1 Share capital

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares (in crores)	Amount	No. of shares (in crores)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	120	120	120	120
Redeemable cumulative preference shares of ₹ 100 each	0.40	40	0.40	40
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	89	89	89	89

c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. crores	₹ crores	No. crores	₹ crores
Equity shares with voting rights				
At the beginning of the year	89	89	89	89
At the end of the year	**89**	**89**	**89**	**89**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

e) Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares held (in crores)	% of total holding	No. of shares held (in crores)	% of total holding
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88
Tata group				
Tata Sons Private Limited	19	20.85	19	20.85
Tata Investment Corporation Limited	2	2.01	2	2.01
Tata Chemicals Limited	1	1.56	1	1.56
Ewart Investments Limited	0	0.56	0	0.56
Piem Hotels Limited	0	0.06	0	0.06
Total - Tata Group	**22**	**25.04**	**22**	**25.04**

13.2 Other equity

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Capital reserve		
(Surplus on re-issue of forfeited shares and debentures)	0	0
Capital redemption reserve		
(Reserve created on redemption of capital)	1	1
Securities premium		
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)	139	139
General reserve		
(Represents appropriation of profit by the Company)	3,066	3,066
Retained earnings*		
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)	4,279	3,758
Other comprehensive income		
- Cash flow hedge reserve	12	(160)
- Remeasurement of net defined benefit liability/asset	(33)	(68)
(Items of other comprehensive income consist of cash flow hedge reserve and remeasurement of net defined benefit liability/asset)	(21)	(228)
	7,464	**6,736**

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8th June 2020 had proposed a final dividend of ₹ 4 per equity share of par value of ₹ 1 each for the financial year ended 31st March 2020. The proposal was approved by shareholders at the Annual General Meeting held on 11th August 2020 and the same was paid during the year ended 31st March 2021. This has resulted in a total outflow of ₹ 355 crores.

The Board of Directors, in its meeting on 29th April 2021, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31st March 2021. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 355 crores.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

14 Financial liabilities
14.1 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	971	967
	971	**967**

15 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note: 32 (c)}	114	122
Provision for pension*	29	30
	143	**152**

**During the previous year ended 31st March 2020, the Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Company. Accordingly, the Company has accrued ₹ 26 crores based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss.*

16 Financial liabilities
16.1 Borrowings

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Loan from bank	-	626
	-	**626**

Note: During the previous year the loan had a tenure ranging from 24 days to 31 days. The interest rate varied from 7.45% to 8.85% per annum.

16.2 Gold on loan

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Secured#		
Payable to banks*	1,887	579
Unsecured		
Payable to banks*	2,207	928
	4,094	**1,507**

 # Secured against letter of credit.

** Includes amounts payable against gold purchased from various banks under Gold on loan scheme. The interest rate of the same varies from 1.45% to 2.70% per annum (Previous year: 1.45% to 2.25%) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.*

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

16.3 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	178	169
	178	**169**

16.4 Trade payables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro and small enterprises {Refer note (a) below}	158	63
Total outstanding dues of other than micro and small enterprises	537	447
	695	**510**

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	158	63
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	50	17
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	0	0

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

16.5 Other financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unclaimed dividends {refer note (a) below}	11	11
Payables on purchase of property, plant and equipment	15	7
Other financial liabilities		
- Employee related	163	138
- Others (includes dealers deposits, earnest money deposit received) {refer note (b) below}	29	35
	218	**191**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 0.11 crores (Previous year: ₹ 0.07 crores) and therefore amounts relating to the same have not been transferred.

(b) Previous year ended 31st March 2020 includes ₹ 20 crores, being the change in measurement of defined benefit plans due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, Reliance Capital Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

17 Other current liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Advance from customers	316	229
Golden harvest scheme (deposit)	1,075	1,484
Liability towards award credits for customers	72	80
Statutory dues (TDS, PF etc.)	29	17
Contract liability {refer note (a) below}	130	142
Other liabilities (gift card liability, book overdraft)	283	171
	1,905	**2,123**

a) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

18 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note 32 (c)}	18	34
Gratuity {refer note 32 (b) }	-	67
Provision for warranty {refer note (a) below}	5	8
	23	**109**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Note (a): Provision for warranty

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	8	7
Provisions made during the year	4	6
Utilisations/ reversed during the year	(7)	(4)
Provision at the end of the year	**5**	**8**

19 Revenue from operations

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of products		
Manufactured goods		
Watches	1,184	2,030
Jewellery	13,825	13,156
Eyewear	218	86
	15,227	**15,272**
Traded goods		
Watches	341	496
Jewellery	3,234	3,324
Eyewear	143	452
Others	92	178
	3,810	**4,450**
Total - Sale of products (a)	**19,037**	**19,722**
Income from services provided (b)	9	10
Other operating revenue		
Indirect tax incentive {refer note (a) below}	24	64
Sale of precious / semi-precious stones	51	126
Sale of gold / platinum {refer note (b) below}	1,469	82
Others (includes scrap sales and visual merchandising sales)	12	6
Total - Other operating revenue (c)	**1,556**	**277**
Revenue from operations (a+b+c)	**20,602**	**20,010**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) Include sale of gold-ingots aggregating ₹ 1,355 crores (Previous year: Nil) to various customers dealing in bullion.

c) As per the requirements of Ind AS 115, the Company disaggregates revenue based on line of business, geography (as given in Note 27) and between manufactured and traded goods as given above.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Contracted price	24,386	24,426
Reductions towards variable consideration components	3,784	4,417
Revenue recognised	**20,602**	**20,010**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

20 Other income

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on financial assets carried at amortised cost	50	63
Interest income on income tax refund	7	17
Gain on investments carried at fair value through profit and loss	34	31
Gain on sale of investment in joint venture (refer note 7.1)	4	-
Interest income on sub-lease	16	15
Miscellaneous income {refer note (a) below}	70	20
	181	**146**

a) Miscellaneous income includeds dividend income, gain on preclosure of lease contract and lease concessions (net) as defined in note 29.2(c).

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Closing stock		
Finished goods	4,433	4,514
Work-in progress	330	308
Stock-in-trade	1,430	1,535
	6,193	**6,357**
Opening stock		
Finished goods	4,514	3,931
Work-in progress	308	217
Stock-in-trade	1,535	1,373
	6,357	**5,521**
(Increase) / decrease in inventory	**164**	**(836)**

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

22 Employee benefits expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages and bonus	790	903
Contribution to provident and other funds		
- Gratuity {refer note 32(b)}	27	18
- Provident and other funds {refer note 32(a) (i) and 32 (b)}	43	44
Staff welfare expenses	51	75
	911	**1,040**

23 Finance costs

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense on :		
Borrowings#	22	15
Interest on lease liability	104	98
Gold on loan*	55	36
Others	0	0
	181	**149**

 # Includes interest paid for unsecured commercial paper borrowed during the year. The interest rate ranges from 3.35% to 4.42% and payable within a period of 3 months.

**Refer note 16.2*

24 Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of property, plant and equipment (refer note 3)	142	137
Amortisation of intangible assets (refer note 4, 6)	189	173
	331	**310**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

25 Other expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loose tools, stores and spare parts consumed	26	52
Agency labour	86	124
Power and fuel	32	45
Repairs and maintenance		
- buildings	4	7
- plant and machinery	14	21
Advertising	232	477
Selling and distribution expenses	542	635
Insurance	17	9
Rent	-	22
Rates and taxes	10	7
Travel	4	42
Provision for doubtful trade receivables and doubtful other financial assets {refer note (c) below}	34	2
Loss on sale / disposal / scrapping of Property, plant and equipment (net)	5	-
Legal and professional charges {refer note (a) below}	95	123
Expenditure on corporate social responsibility {refer note (b) below}	38	31
Gold price hedge ineffectiveness {refer note (d) below}	739	60
Miscellaneous expenses	340	379
Commission to non-whole-time Directors	3	4
	2,221	**2,040**

Notes:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Auditors remuneration comprises fees for audit of :		
Statutory account	2	2
Other services including tax audit and out of pocket expenses	1	1
Total	**3**	**3**

b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: ₹ 38 crores (Previous year: ₹ 31 crores).

(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	38	-	38
	38	**-**	**38**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) Based on its assessment of recoverability, the Company has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

d) During the year the Company has recognized a loss of ₹ 739 crores (Previous year: ₹ 60 crores) under Other expenses as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This had led to preclosures of hedge contracts originally designated against sales in the subsequent month/quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.

26 Exceptional item

During the year ended 31st March 2021, the Company decided to significantly scale down the operations of its wholly owned subsidiary, Favre Leuba AG (FLAG) due to the adverse impact on its operations post the Covid 19 pandemic. Consequent to this, the Company performed an impairment testing of its investments in FLAG and made a provision of ₹ 137 crores towards impairment of investment in subsidiary which is disclosed under exceptional items (Previous year: Nil).

27 Segment information

a) Description of segments: The Chief Operating Decision Maker (CODM) of the Company examines the performance both from a product perspective and geography perspective and has identified 4 reportable segments Watches and wearables, Jewellery, Eyewear and Others, where 'Others' include Accessories, Fragrances and Indian dress wear. The Company's Managing Director is the CODM.

Corporate (unallocated) represents income, expenses, assets and liabilities which relate to the Company as a whole and not allocated to segments.

b) Segment revenues and profit and loss

₹ in crores

	Revenue		Profit / (loss)	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	1,580	2,616	(65)	365
Jewellery	18,631	16,738	1,686	2,061
Eyewear	375	544	23	(14)
Others	98	171	(45)	(58)
Corporate (unallocated)	99	87	(185)	(100)
	20,783	**20,156**	**1,414**	**2,254**
Finance costs			181	149
Profit before taxes			**1,233**	**2,105**

There is no inter segment revenue.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in crores

Segment	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	(65)	365
Jewellery	1,686	2,061
Eyewear	23	(14)
Others	(45)	(58)
Corporate (unallocated)	(48)	(100)
Total	**1,551**	**2,254**

d) Segment assets and liabilities

₹ in crores

Segment assets	As at 31st March 2021	As at 31st March 2020
Watches and wearables	1,932	2,143
Jewellery	8,646	8,225
Eyewear	414	495
Others	170	217
Corporate (unallocated)	4,698	2,108
	15,860	**13,188**

₹ in crores

Segment liabilities	As at 31st March 2021	As at 31st March 2020
Watches and wearables	678	775
Jewellery	7,130	4,449
Eyewear	221	234
Others	90	91
Corporate (unallocated)	188	814
	8,307	**6,363**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

e) Other segment information

₹ in crores

	Depreciation and amortisation	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	87	88
Jewellery	127	120
Eyewear	49	47
Others	21	14
Corporate (unallocated)	47	41
	331	**310**

f) Geographical information

₹ in crores

	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue		
India	20,672	19,999
Others	111	157
Total	**20,783**	**20,156**

₹ in crores

	As at 31st March 2021	As at 31st March 2020
Assets*		
India	15,835	13,161
Others	25	27
Total	**15,860**	**13,188**

**Trade receivables are disclosed based on geographical location of customers. Other assets are not identifiable separately to any reportable segments as these are used inter changeably between segments and are disclosed under "India".*

Details of geographical segments for individual markets outside India are not disclosed as the same do not account for more than 10% of the total segment revenues or results or assets.

28 Earnings per share

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

₹ in crores

	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year (₹ crores)	877	1,517
Weighted average number of equity shares	88,77,86,160	88,77,86,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	9.88	17.09

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

29 Leases

29.1 Amounts recognised in balance sheet

		Note	As at 31st March 2021	As at 31st March 2020
(i)	**Right-of-use assets**	4		
	Buildings		833	849
	Leasehold land		21	21
			854	**870**
(ii)	**Lease liabilities**			
	Non-current	14.1	971	967
	Current	16.3	178	169
			1,149	**1,136**
(iii)	**Lease receivables**			
	Non-current	7.3	169	151
	Current	11.5	22	24
			191	**175**

29.2 Amounts recognised in the statement of profit and loss

		Note	For the year ended 31st March 2021	For the year ended 31st March 2020
(i)	Depreciation and amortisation expense	4		
	Buildings		161	152
	Leasehold land		0	0
			161	152
(ii)	Interest expense (included in finance cost)	23	104	98
(iii)	Interest income on sub-lease (included in other income)	20	16	15
(iv)	Expense relating to short-term leases {refer note (c) below}	25	26	12
(v)	Expense relating to variable lease payments {refer note (c) below}	25	4	10
(vi)	Rent concessions received during the year {refer note (c) below}	20	57	-

(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 31st March 2021 amounts to ₹ 251 crores (Previous year: ₹ 271 crores).

(c) The Company has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

29.3 Additional information on variable lease payment:

During the year ended 31st March 2021, the Company has incurred an amount of ₹ 4 crores (Previous year: ₹ 10 crores) on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

29.4 Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on mutual consent of the Company and respective lessors.

30 Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 366 crores (Previous year: ₹ 352 crores) comprising of the following:

a) Sales tax - ₹ 42 crores (Previous year: ₹ 35 crores)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 5 crores (Previous year: ₹ 5 crores)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 134 crores (Previous year: ₹ 138 crores)
(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 on Jewellery)

d) Income tax - ₹ 176 crores (Previous year: ₹ 166 crores)
(relating to disallowance of deductions claimed)

e) Others - ₹ 9 crores (Previous year: ₹ 9 crores)
(relating to miscellaneous claims)

The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

f) Corporate guarantees - ₹ 413 crores (Previous year: ₹ 40 crores)
(relating to guarantee provided for loans taken by Caratlane Trading Private Limited, Titan Holdings International FZCO, Titan Global Retail LLC and Titan Commodity Trading Limited)

The movement of the guarantees is given below: ₹ in crores

	As at 31st March 2021	As at 31st March 2020
Opening balance	40	90
Given during the year	373	-
Withdrawn/ revoked during the year	-	(50)
Closing balance	**413**	**40**

g) Letter of financial support provided to the following:

Caratlane Trading Private Limited

Favre Leuba AG

h) 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.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

31 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 61 crores (Previous year: ₹ 88 crores).

32 Employee benefits

a) Defined Contribution Plans

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
National pension scheme	2	2
Superannuation fund #	8	8
Employee pension fund	10	11
	20	**21**

b) Defined Benefit Plans

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Provident fund*	23	23
Superannuation fund #	-	-
	23	**23**

* 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 31st March 2020, the Company has charged ₹ 20 crores, being the change in measurement of defined benefit plans, in other comprehensive income due to impairment in the value of investments made in various securites by the trusts' managing the defined benefit plans of the Company (refer note 16.5).

During the previous year ended 31st March 2020, the Company has changed its policy on allocable return from investment of the Superannuation fund trust wherein the Company does not have an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the equivalent Provident Fund interest rate for that year.

i) 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 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.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Discount rate (p.a.)	6.90%	6.90%
Salary escalation rate (p.a.)		
- Non-management	7.00%	7.00%
- Management	8.00%	8.00%

- The retirement age of employees of the Company varies from 58 to 65 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:

₹ in crores

Age (Years)	Rates (p.a.)	
	For the year ended 31st March 2021	For the year ended 31st 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:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current service cost	23	16
Interest on net defined benefit liability/ (asset)	4	2
Total component of defined benefit costs charged to the statement of profit and loss	**27**	**18**

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening amount recognised in other comprehensive income outside the statement of profit and loss	72	23
Remeasurements during the year due to:		
- Changes in financial assumptions*	(13)	23
- Changes in demographic assumptions	-	(3)
- Experience adjustments	(18)	28
- Actual return on plan assets less interest on plan assets	(14)	1
- Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive income	**27**	**72**

* Other comprehensive income disclosed above is gross of tax.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

The current service cost, past 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.

* Includes an amount of ₹ 20 crores charged by the Company, being the change in measurement of defined benefit plans, in other comprehensive income during the previous year ended 31st March 2020 due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening net defined benefit liability/ (asset)	67	34
Expense charged to the statement of profit and loss	27	18
Amount recognised outside the statement of profit and loss	(45)	49
Employer contributions	(67)	(34)
Closing net defined benefit liability/ (asset)	**(18)**	**67**

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening defined benefit obligation	322	256
Current service cost	23	17
Interest on defined benefit obligation	21	19
Remeasurement due to		
- Actuarial gains and losses arising from changes in demographic assumptions	-	(3)
- Actuarial gains and losses arising from changes in financial assumptions	(13)	23
- Actuarial gains and losses arising from experience adjustments	(18)	28
Benefits paid	(11)	(18)
Closing defined benefit obligation	**324**	**322**

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening fair value of plan assets	255	222
Employer contributions	67	34
Interest on plan assets	17	17
Remeasurements due to actuarial return on plan assets less interest on plan assets	14	(1)
Benefits paid	(11)	(17)
Closing fair value of plan assets	**342**	**255**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate, full salary escalation rate and attrition 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:

₹ in crores

	As at 31st March 2021		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	309	339	322
Defined benefit obligation on minus 50 basis points	339	309	329

₹ in crores

	As at 31st March 2020		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	307	338	318
Defined benefit obligation on minus 50 basis points	338	307	326

Maturity profile of defined benefit obligation

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
With in year 1	19	19
1 year to 2 years	15	15
2 years to 3 years	19	15
3 years to 4 years	18	20
4 years to 5 years	26	19
Over 5 years	585	611

The Company is expected to contribute ₹ 19 crores to the gratuity fund next year.

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

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	149	-	141	-
Other debt instruments	164	-	101	-
Entity's own equity instruments	19	-	13	-
Others	-	9	-	(1)
	332	**9**	**255**	**(1)**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Compensated absences		
Non-current	114	122
Current	18	34
	132	**156**

33 Research and Development expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	2	2
Revenue	20	22
	22	**24**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

34 Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Subsidiaries	Titan Engineering & Automation Limited	
		Caratlane Trading Private Limited	
		Favre Leuba AG (Switzerland)	
		Titan Watch Company Hongkong Limited (100% subsidiary of Favre Leuba AG)	
		Titan Holdings International FZCO (from 15th October 2019)	
		Titan Global Retail L.L.C (from 15th December 2019)	
		Titan Commodity Trading Limited (from 10th August 2020)	
		StudioC Inc. (from 11th February 2021)	
c)	Joint venture	Montblanc India Retail Private Limited (up to 12th March 2021)	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. Bhaskar Bhat, Managing Director (up to 30th September 2019)	
		Mr. C K Venkataraman, Managing Director (from 1st October 2019)	
		Mr. S.Subramaniam, Chief Financial Officer	
		Mr. Dinesh Shetty, General Counsel and Company Secretary	
		Non - executive Directors	
		Mr. N. Muruganandam (Chairman)	
		Mr. Bhaskar Bhat	
		Dr. Mohanasankar Sivaprakasam	
		Mrs. Kakarla Usha	
		Mr. N N Tata	
		Mrs. Hema Ravichandar (up to 31st July 2020)	
		Mrs. Ireena Vittal (up to 30th September 2020)	
		Mr. Ashwani Puri	
		Mr. B Santhanam	
		Mr. V Arun Roy	
		Mr. Pradyumna Rameshchandra Vyas	
		Ms. Sindhu Gangadharan (from 8th June 2020)	
		Mr. Sandeep Singhal (from 11th November 2020)	
f)	Group entities (Wherever there are transactions)	Tata Capital Financial Services Limited	Tata West Asia FZE
		Tata Capital Housing Finance Limited	Tata Unistore Limited
		Infiniti Retail Limited	Tata Consultancy Services Limited
		Kriday Realty Private Limited	Tata Housing Development Company Limited
		Tata International Limited	Smart Value Homes (Peenya Project) Private Limited
		Tata Limited	Tata Capital Limited
		Tata AIG General Insurance Company Limited	Tata Sky Limited
		Tata Industries Limited	Promont Hilltop Private Limited
		Tata Value Homes Limited	Tata Interactive Systems AG
		Ardent Properties Private Limited	Tata Advanced Material Limited
		Tata AIA Life Insurance Company Limited	Tata Autocomp Systems Limited
		Tata Teleservices (Maharashtra) Limited	Tata Teleservices Limited
		Tata Cleantech Capital Limited	Sector 113 Gatevida Developers Private Limited
		Tata Realty and Infrastructure Limited	Tata Electronics Private Limited
		AirAsia (India) Limited	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

ii) Related party transactions during the year :

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Cost of materials and components consumed			
Titan Engineering & Automation Limited	Subsidiary	0	0
Caratlane Trading Private Limited	Subsidiary	8	24
Favre Leuba AG	Subsidiary	0	0
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	0	0
Purchases of services (other expenses)			
Tata Sons Private Limited	Promoter	0	-
Tata Consultancy Services Limited	Group entity	20	14
Tata AIG General Insurance Company Limited	Group entity	0	0
Tata Unistore Limited	Group entity	-	4
Caratlane Trading Private Limited	Subsidiary	1	8
Others	Group entity	2	2
Revenue from operations			
Tata Sons Private Limited	Promoter	0	0
Caratlane Trading Private Limited	Subsidiary	9	16
Titan Global Retail LLC	Subsidiary	56	-
Tata Consultancy Services Limited	Group entity	21	76
Others	Group entities	3	1
Other income (Dividend income)			
Titan Engineering & Automation Limited	Subsidiary	24	-
Rent			
Tata Sons Private Limited	Promoter	0	1
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	3	3
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	99	124
Tata Sons Private Limited	Promoter	74	93
Key managerial personnel compensation			
Commission and sitting fees	Promoter	1	1
Commission and sitting fees	KMP	6	3
Managerial remuneration	KMP	12	22
Pension paid	Others	1	1

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Miscellaneous expense (Royalty)			
Tata Sons Private Limited	Promoter	31	32
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	1	-
Titan Holdings International FZCO	Subsidiary	1	-
Caratlane Trading Private Limited	Subsidiary	1	-
Favre Leuba AG	Subsidiary	1	-
Others		1	-
Recovery towards rendering of services / expenses			
Titan Engineering & Automation Limited	Subsidiary	3	2
Caratlane Trading Private Limited	Subsidiary	1	4
Titan Commodity Trading Limited	Subsidiary	0	-
Montblanc India Retail Private Limited (refer note 7.1)	Joint venture	1	1
Tata Electronics Private Limited	Group entity	3	-
Others		0	1
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	-	50
Tata Value Homes Limited	Group entity	50	-
Tata Realty and Infrastructure Limited	Group entity	-	50
Inter-corporate deposit redeemed	-		
Tata Housing Development Company Limited	Group entity	-	100
Tata Value Homes Limited	Group entity	50	-
Tata Capital Financial Services	Group entity	-	50
Tata Realty and Infrastructure Limited	Group entity	-	50
Interest income			
Tata Housing Development Company Limited	Group entity	-	3
Tata Capital Financial Services	Group entity	-	1
Tata Realty and Infrastructure Limited	Group entity	-	1
Tata Value Homes Limited	Group entity	3	-
Caratlane Trading Private Limited	Subsidiary	0	0
Titan Global Retail LLC	Subsidiary	0	0
Titan Holdings International FZCO	Subsidiary	0	0
Others	Subsidiary	-	0

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Subscription to share capital			
Favre Leuba AG	Subsidiary	28	62
Titan Commodity Trading Limited	Subsidiary	2	-
Montblanc India Retail Private Limited (refer note 7.1)	Joint venture	-	8
Titan Holdings International FZCO	Subsidiary	-	0
Loan given to subsidiary			
Titan Holdings International FZCO	Subsidiary	-	2
Advance to subsidiary			
Titan Holdings International FZCO	Subsidiary	-	5
Loan repaid by subsidiary			
Titan Holdings International FZCO	Subsidiary	2	-
Contribution to Trust funds			
Titan Watches Provident Fund	Others	84	82
Titan Watches Super Annuation Fund	Others	8	4
Titan Industries Gratuity Fund	Others	67	34

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

₹ in crores

	Relationship	As at 31st March 2021	As at 31st March 2020
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	-	(1)
Tata Sons Private Limited	Promoter	(28)	(24)
Caratlane Trading Private Limited	Subsidiary	(2)	(3)
Tata Capital Financial Services Limited	Group entity	0	0
Tata Consultancy Services Limited	Group entity	(1)	-
Bhaskar Bhat	Others	-	(3)
C K Venkataraman	KMP	(4)	(2)
Others		(3)	(3)
Caratlane Trading Private Limited	Subsidiary	1	4
Favre Leuba AG	Subsidiary	1	1
Titan Engineering & Automation Limited	Subsidiary	0	3
Titan Holdings International FZCO	Subsidiary	-	7
Titan Global Retail LLC	Subsidiary	15	-
Tata Consultancy Services Limited	Group entity	0	9
Tata Housing Development Company Limited	Group entity	0	0
Others	Group entities	1	1

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

₹ in crores

	Relationship	As at 31st March 2021	As at 31st March 2020
Corporate Gurantees			
Caratlane Trading Private Limited	Subsidiary	40	40
Titan Holdings International FZCO	Subsidiary	66	-
Titan Global Retail LLC	Subsidiary	7	-
Titan Commodity Trading Limited	Subsidiary	300	-

Note:

a) Entities controlled or promoted by Tamilnadu Industrial Development Corporation Limited are not considered as related party since, the same is a Government-related entity.

b) 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.

c) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

35 Financial instruments

35.1 Categories of financial instruments

Financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	2,763	90
Total financial assets measured at FVTPL (a)	**2,763**	**90**
Measured at amortised cost		
- Trade receivables	291	214
- Cash and cash equivalents	147	50
- Bank balances other than cash and cash equivalents	365	306
- Inter-corporate deposits	50	-
- Security deposits	135	130
- Employee loans	64	63
- Lease receivable	191	175
- Investment in non-convertible debentures	5	-
- Other financial assets	173	440
Total financial assets measured at amortised cost (b)	**1,421**	**1,378**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Derivative instruments other than in designated hedge accounting relationships (d)	**1**	**4**
Total financial assets (a + b + c +d)	**4,185**	**1,472**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
- Gold on loan	4,094	1,507
Total financial liabilities measured at FVTPL (a)	**4,094**	**1,507**
Measured at amortised cost		
- Borrowings	-	626
- Trade payables	695	510
- Lease liability	1,149	1,136
- Other financial liabilities	218	191
Total financial liabilities measured at amortised cost (b)	**2,062**	**2,463**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Total financial liabilities (a + b + c)	**6,156**	**3,970**

35.2 (i) Fair value hierarchy

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

₹ in crores

Particulars	As at 31st March 2021			
	Level 1	Level 2	Level 3	Total
a) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	-	2,753	-	2,753
- Other unquoted investments	-	-	10	10
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial assets	**-**	**2,754**	**10**	**2,764**
Financial liabilities				
- Gold on loan	4,094	-	-	4,094
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**4,094**	**-**	**-**	**4,094**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 31st March 2020			
	Level 1	Level 2	Level 3	Total
b) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	0	74	-	74
- Other unquoted investments	-	-	16	16
- Derivative instruments other than in designated hedge accounting relationships	-	4	-	4
Total financial assets	**-**	**78**	**16**	**94**
Financial liabilities				
- Gold on loan	1,507	-	-	1,507
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**1,507**	**-**	**-**	**1,507**

(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 comparables, discounted cash flow analysis.

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

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

35.3 Financial risk management objective

The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division. These risks include market risk, credit risk and liquidity risk.

The Company minimises the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of derivative financial instruments and investment of excess liquidity is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

35.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits 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 customers. Refer note 11.2 for the disclosures for trade receivables.

Credit risk on liquid funds, Inter Corporate Deposits and derivative financial instruments is limited because the counterparties are banks and companies with high credit-ratings assigned by credit-rating agencies.

35.5 Liquidity risk

The Company has an approved policy to invest surplus funds from time-to-time in various short-term instruments. Security of funds and liquidity shall be the primary consideration while deciding on the type of investments.

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 risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for:

- all non-derivative financial liabilities, and
- derivative financial liabilities, that are net settled.

The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2021			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Gold on loan	1,819	2,275	-	4,094
Trade payables	695	-	-	695
Lease liability	49	129	971	1,149
Other financial liabilities	218	-	-	218
Total non-derivative liabilities	**2,782**	**2,403**	**971**	**6,156**
Derivatives (net settled)				
Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2020			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivatives				
Gold on loan	342	1,165	-	1,507
Borrowings	626	-	-	626
Trade payables	510	-	-	510
Lease liability	57	112	967	1,136
Other financial liabilities	191	-	-	191
Total non-derivative liabilities	**1,726**	**1,277**	**967**	**3,970**
Derivatives (net settled)				
Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

35.6 Market risk

The market risks to which the Company is exposed are price risk {refer note a) below} and foreign currency risk {refer note b) below}.

a) Price Risk:

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold.

To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

The use of such derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

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The following table gives details of contracts as at the end of the reporting period:

Cash flow hedges Sell forward/future contracts:

₹ in crores

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31st March 2021	4,494	2,382	1,071
31st March 2020	4,296	8,607	3,698

- The line item in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at 31st March 2021 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the statement of profit and loss. Details of movements in hedging reserve is as follows:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at beginning of the year (net of taxes)	(160)	**27**
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(112)	(536)
Deferred tax on fair value of effective portion of cash flow hedges	30	143
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	346	281
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	(91)	(75)
Movement in cash flow hedges	**234**	**(255)**
Deferred tax on movement in cash flow hedge	**(62)**	**68**
Balance at end of the year (net of taxes)	**12**	**(160)**

b) Foreign currency risk management

The company is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered in Note 35.6 above.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, the Company enters into forward foreign exchange contracts and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD, CHF and EURO currencies. The Company's sensitivity to a 1% increase and decrease in ₹ 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 1% change in foreign currency rates. There is a decrease in profit and equity by

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ 0.27 crores where INR weakens by 1% against the relevant currencies. For a 1% strengthening of the ₹ against the relevant currencies there would be a comparable increase in profit and equity.

35.7 The Company's exposure to Forward foreign exchange contracts and option contracts at the end of the reporting year are as follows:

The Company has 11 forward exchange contracts in USD 0.4 crores equivalent to ₹ 29 crores as at 31st March 2021 (Previous year: no forward exchange contracts).

In addition to the above, the Company has 6 Option contract in USD 2 crores equivalent to ₹ 128 crores (Previous year : 6 Option contracts in USD 2 crores equivalent to ₹ 137 crores).

36 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 all its shareholders. Gold on loan as disclosed in the financial statements represents amounts due to banks for the procurement of gold under 'Gold (Metal) loan scheme' by the Company. The Company is not subject to any externally imposed capital requirements.

37 Impact of COVID-19 (Global pandemic):

The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects that the carrying amount of it's assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

(i) Revenue from operations:

While the Company believes strongly that it has a portfolio of business segments which will encourage healthy growth and gained market share from target customers, the impact on future revenue streams could come majorly from the following –

- customers postponing their discretionary spend due to change in priorities
- 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.

(ii) Leases:

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

(iii) Credit Risk:

Financial instruments carried at fair value as at 31st March 2021 is ₹ 2,764 crores and financial instruments carried at amortised cost as at 31st March 2021 is ₹ 1,421 crores. A portion of the financial assets are classified as Level 1 having fair value of ₹ 1 crores as at 31st March 2021. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in mutual funds and accordingly, any material volatility is not expected. Financial assets of ₹ 512 crores as at 31st March 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 ₹ 291 crores as at 31st March 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, if any, 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. The same assessment is done in respect of contract assets of ₹ 97 crores as at 31st March 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 6 crores as at 31st March 2021 is considered adequate.

(iv) Market Risk:

The Company, basis its assessment, believes that the probability of the occurrence of its 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 and measuring hedge ineffectiveness. The impact of ineffectiveness in hedges will be evaluated and taken in the financial statements based on occurrence of the event leading to hedge ineffectiveness.

38 Details of Inter-corporate deposits given and investments made during the year:

₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2021
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	7.50%	9 months	-	50	50	-	-
Tata Projects Limited	Others	Unsecured	Trade deposits	7.30%	8 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	-	50	-	-	50
						145	**150**	**100**	**145**	**50**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Loans given during the year	Loans recovered during the year	As at 31st March 2021
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	-	97	94	3

** During the year the Company has given loans to its franchisees and vendors to support them during the pandemic crisis.*

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2021
Investments						
Investment in equity instruments (including application money paid for investment in subsidiary)(unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	505	-	-	505
Favre Leuba AG	Subsidiary	Strategic investment	112	28	137	4
Titan holdings international FZCO	Subsidiary	Strategic investment	0	-	-	0
Titan Commodity Trading Private Limited	Subsidiary	Strategic investment	-	2	-	2
Montblanc India Retail Private Limited	Joint venture	Strategic investment	39	-	39	-
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	16	-	6	10
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Invest in non convertible debentures	Others	Wealth creation	-	5	-	5
			909	**35**	**182**	**763**

** The movement is on account of fair valuation as at the year end.*

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Details of Inter-corporate deposits given and investments made during the previous year:

₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	50	50	100	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	50	-	50	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	50	-	50	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	50	-	50	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	50	50	-	-
						345	**100**	**300**	**145**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2020
Investments						
Investment in equity instruments (unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	474	31	-	505
Favre Leuba AG	Subsidiary	Strategic investment	50	62	-	112
Titan holdings international FZCO	Subsidiary	Strategic investment	-	0	-	0
Montblanc India Retail Private Limited	Joint venture	Strategic investment	31	8	-	39
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	-	0	0
Tata Steel Limited*	Others	Wealth creation	0	-	0	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	-	0	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	15	1	-	16
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
			807	102	0	909

* *The movement is on account of fair valuation as at the year end.*

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture

Part "A": Subsidiaries

₹ crores

1	Name of the subsidiary	Favre Leuba AG	Titan Watch Company Limited	Titan Holdings International FZCO	Titan Global Retail LLC	Titan Commodity Trading Limited	Titan Engineering & Automation Limited	Caratlane Trading Private Limited	StudioC Inc
2	Reporting period	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021
3	Reporting currency	CHF	HKD	AED	AED	INR	INR	INR	USD
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1 CHF = ₹ 77.49	1 HKD = ₹ 9.40	1 AED = ₹ 19.91	1 AED = ₹ 19.91	Not applicable	Not applicable	Not applicable	1 USD = ₹ 73.14
5	Share capital	128	0	0	-	2	47	7	0
6	Reserves & surplus	(126)	(0)	(2)	(5)	(0)	305	11	-
7	Total assets	36	-	33	48	2	489	477	0
8	Total liabilities	34	-	35	53	0	137	459	-
9	Investments	-	-	-	-		40	13	-
10	Turnover	8	-	-	39		354	716	-
11	Profit/(loss) before taxation	(58)	-	(1)	(5)	(0)	40	2	-
12	Provision for taxation	0	-	-	-	0	10	-	-
13	Profit after taxation	(59)	-	(1)	(5)	(0)	30	2	-
14	Proposed dividend	-	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%	72.31%	100%

** Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0".*

Name of subsidiary which are yet to commence operations:

Sl. No.	Name of the Company
1	Titan Watch Company Hong Kong Limited
2	StudioC Inc
3	Titan Commodity Trading Limited

Name of subsidiary which have been sold during the year:

Sl. No.	Name of the Company
1	None

Part "B": Associate and Joint Venture

	Name of Associate	Green Infra Wind Power Theni Limited
1	Latest audited Balance Sheet date	31st March 2020
2	Shares of Associate held by the company on the year end	
	- No.	15,00,000
	- Amount of Investment in Associate (₹ crores)	2
	- Extent of Holding %	26.79%
3	Description of how there is significant influence	There is a significant influence due to percentage of Share Capital held
4	Reason why the associate is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crores)	3
6	Profit/(loss) for the year	
	- Considered in Consolidation (₹ crores)	0
	- Not considered in Consolidation (₹ crores)	-

Name of joint venture which have been sold during the year:

Sl. No.	Name of the Company
1	Montblanc India Retail Private Limited

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Independent Auditors' Report

To the Members of Titan Company Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Titan Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture, which comprise the consolidated balance sheet as at 31st March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and joint venture as at 31st March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

See note 2(ix) and note 20 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Group's revenue relates to jewelry and watches which involves large number of individual sales contracts having varied contractual terms with retail customers, distributors and franchisees. This increases the risk of misstatement of the timing and amount of revenue recognised to achieve specific performance targets or expectations. The Group and its external stakeholders focus on revenue as a key performance indicator. In view of the above we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems. 3. We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods. 4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5. We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6. We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

See note 2(xix) and note 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.) and watches. The Group holds inventory at various locations including factories, stores (retail outlets) and third-party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified confirmation of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. We evaluated the design, implementation and tested the operating effectiveness of key controls that the Group has in relation to safeguarding and physical verification of inventories including the appropriateness of the Group's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2. We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Group's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems. 3. For the sampled locations, we attended physical verification of stocks conducted by the Group and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4. For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint

venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of two subsidiaries (including one step down subsidiary), whose financial statements reflect total assets of ₹ 50 crores as at 31st March 2021, total revenues of ₹ 39 crores and net cash inflows amounting to ₹ 1 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 5 crores for the year ended 31st March 2021, as considered in the consolidated financial statements, in respect of one associate and a joint venture, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies , incorporated in India is disqualified as on 31st 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 Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2021 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.

ii. The Group its associate and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2021.

iii. There has been no delay in transferring amounts, required to be transferred (excluding disputed legal cases, as explained in note 16.5 to the consolidated financial statements) to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2021. There are no amounts which are required to be transferred to the Investment Education and Protection Funds by its subsidiary companies, associate company and joint venture incorporated in India during the year ended 31st March 2021.

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

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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 Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAN4541

Place: Bengaluru
Date: 29 April 2021

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Titan Company Limited for the year ended 31st March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Titan Company Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate Companys of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and , its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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 internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAN4541

Place: Bengaluru
Date: 29 April 2021

Consolidated Balance Sheet

as at 31st March 2021

₹ in crores

	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,216	1,285
(b) Capital work-in-progress	3	19	11
(c) Right-of-use assets	4	917	935
(d) Investment property	5.1	24	24
(e) Goodwill	5.2	123	123
(f) Other intangible assets	6	243	266
(g) Intangible assets under development		13	7
(h) Financial assets			
(i) Investments	7.1	19	44
(ii) Loans receivable	7.2	158	154
(iii) Other financial assets	7.3	211	199
(i) Deferred tax assets (net)	8	105	159
(j) Income tax assets (net)	8	121	144
(k) Other non-current assets	9	86	78
		3,255	**3,429**
(2) Current assets			
(a) Inventories	10	8,408	8,103
(b) Financial assets			
(i) Investments	11.1	2,805	114
(ii) Trade receivables	11.2	366	312
(iii) Cash and cash equivalents	11.3	181	75
(iv) Bank balances other than (iii) above	11.3	379	306
(v) Loans receivable	11.4	109	56
(vi) Other financial assets	11.5	197	459
(c) Other current assets	12	752	696
		13,197	**10,121**
TOTAL ASSETS		**16,452**	**13,550**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	89	89
(b) Other equity	13.2	7,408	6,580
Equity attributable to the equity holders of the Company		**7,497**	**6,669**
Non-controlling interest		5	4
		7,502	**6,673**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	9	17
(ii) Lease liabilities	14.2	1,059	1,056
(iii) Other financial liabilities	14.3	3	4
(b) Provisions	15	156	166
(c) Deferred tax liability (net)	8	8	6
(d) Other non-current liabilities	16	1	-
		1,236	**1,249**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	156	706
(ii) Gold on loan	17.2	4,210	1,585
(iii) Lease liabilities	17.3	197	187
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	17.4	167	68
- Total outstanding dues of creditors other than micro and small enterprises	17.4	622	528
(v) Other financial liabilities	17.5	239	219
(b) Other current liabilities	18	2,013	2,206
(c) Provisions	19	30	120
(d) Current tax liabilities (net)	8	80	9
		7,714	**5,628**
TOTAL EQUITY AND LIABILITIES		**16,452**	**13,550**
Significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Revenue from operations	20	21,644	21,052
II. Other income	21	186	153
III. TOTAL INCOME (I +II)		**21,830**	**21,205**
IV. Expenses:			
Cost of materials and components consumed		13,713	13,042
Purchase of stock-in-trade		2,579	2,991
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	122	(878)
Employee benefits expense	23	1,065	1,199
Finance costs	24	203	166
Depreciation and Amortisation Expense	25	375	348
Other expenses	26	2,441	2,231
IV. TOTAL EXPENSES		**20,498**	**19,099**
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)		**1,332**	**2,106**
VI. Share of profit/ (loss) of:			
- Associate		0	1
- Joint venture	7.1	(5)	(5)
VII. Profit before exceptional item and tax (V - VI)		**1,327**	**2,102**
VIII. Exceptional item		-	-
IX. Profit before tax (VII - VIII)		**1,327**	**2,102**
X. Tax expense:			
Current tax	8	360	570
Deferred Tax	8	(7)	39
X. TOTAL TAX		**353**	**609**
XI. Profit for the year (IX-X)		**974**	**1,493**
XII. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		48	(73)
- Income-tax on (i) above		(12)	19
(ii) Items that will be reclassified to the statement of profit and loss			
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		234	(255)
- Exchange differences in translating the financial statements of foreign operations		1	7
- income-tax on (ii) above		(62)	68
TOTAL OTHER COMPREHENSIVE INCOME		**209**	**(234)**
XIII. Total comprehensive income (XI + XII)		**1,183**	**1,259**
Profit for the year attributable to:			
- Owners of the Company		973	1,501
- Non-controlling interest		1	(8)
		974	**1,493**
Other comprehensive income for the year attributable to:			
- Owners of the Company		209	(234)
- Non-controlling interest		0	0
		209	**(234)**
Total comprehensive income for the year attributable to:			
- Owners of the Company		1,182	1,267
- Non-controlling interest		1	(8)
		1,183	**1,259**
XIV. Earnings per equity share of ₹ 1			
Basic	28	10.96	16.91
Diluted	28	10.96	16.91
Significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Consolidated Statement of Changes in Equity

as at 31st March 2021

(a) Equity share capital

₹ in crores

	As at 31st March 2021	As at 31st March 2020
Opening balance	89	89
Changes in equity share capital during the year	-	-
Closing balance	**89**	**89**

(b) Other equity

	Reserves and surplus													
							Items of other comprehensive income (refer note 13.2)							
Particulars	Capital reserve	Capital redemption reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Remeasurement of employee defined benefit plans	Foreign currency translation reserve	Cash flow hedge reserve	Total	Capital reserve on consolidation	Attributable to the Owners of the Company	Non-controlling interest	Total
Balance as at 1st April 2019	**0**	**1**	**141**	**4**	**3,066**	**2,759**	**(18)**	**2**	**27**	**12**	**-**	**5,982**	**14**	**5,996**
Profit for the year (net of taxes)	-	-	-	-	-	1,501	-	-	-	-	-	1,501	(9)	1,492
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	(54)	7	(187)	(234)	-	(234)	(0)	(234)
Transactions with non-controlling interests	-	-	-	-	-	(30)	-	-	-	-	-	(30)	(1)	(31)
Employee stock compensation	-	-	-	0	-	-	-	-	-	-	-	0	-	0
Premium on share issued during the year	-	-	0	(0)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**0**	**0**	**-**	**1,471**	**(54)**	**7**	**(187)**	**(234)**	**-**	**1,237**	**(10)**	**1,227**
Payment of dividends (refer note 13.3)	-	-	-	-	-	(444)	-	-	-	-	-	(444)	-	(444)
Tax on dividends	-	-	-	-	-	(91)	-	-	-	-	-	(91)	-	(91)
Transition impact of Ind AS 116	-	-	-	-	-	(158)	-	-	-	-	-	(158)	-	(158)
Deferred tax on transition impact of Ind AS 116 (refer note 8(a))	-	-	-	-	-	55	-	-	-	-	-	55	-	55
Balance as at 31st March 2020	**0**	**1**	**141**	**4**	**3,066**	**3,592**	**(72)**	**9**	**(160)**	**(223)**	**-**	**6,580**	**4**	**6,584**
Balance as at 1st April 2020	0	1	141	4	3,066	3,592	(72)	9	(160)	(223)	-	6,580	4	**6,584**
Profit for the year (net of taxes)	-	-	-	-	-	973	-	-	-	-	-	973	1	974
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	36	1	172	209	-	209	-	209
Employee stock compensation	-	-	-	0	-	-	-	-	-	0	-	0	-	0
Total comprehensive income for the year	**0**	**-**	**-**	**0**	**-**	**973**	**36**	**1**	**172**	**209**	**-**	**1,182**	**1**	**1,183**
Payment of dividends (refer note 13.3)	-	-	-	-	-	(355)	-	-	-	-	-	(355)	-	(355)
Balance as at 31st March 2021	**0**	**1**	**141**	**4**	**3,066**	**4,210**	**(36)**	**10**	**12**	**(14)**	**-**	**7,408**	**5**	**7,413**

Significant accounting policies Note 2

See accompanying notes to the consolidated financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Consolidated Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash flow from operating activities			
Net profit before tax		1,327	2,102
Adjustments for :			
- Depreciation and amortisation expense		375	348
- Net unrealised exchange gain/(loss)		(1)	(1)
- Share of profit/(loss) of the associate and joint venture		5	4
- Loss on sale/ disposal/ scrapping of property, plant and equipment (net)		6	(3)
- Provision for doubtful trade receivables (net) and bad trade receivables written off		35	4
- Provision for asset write off of a subsidiary		31	-
- Interest income		(61)	(98)
- Gain on investments carried at fair value through profit and loss		(35)	(32)
- Gain on of investment in joint venture		(22)	-
- Gain on pre-closure of lease contracts		(13)	(9)
- Rent waiver		(61)	-
- Finance costs		203	166
Operating profit before working capital changes		**1,789**	**2,481**
Adjustments for :			
- (increase)/ decrease in trade receivables		(59)	109
- (increase)/ decrease in inventories		(316)	(1,057)
- (increase)/ decrease in financial assets-loans receivable		(8)	(20)
- (increase)/ decrease in other financial assets		237	(336)
- (increase)/ decrease in other assets		(62)	36
- increase/ (decrease) in gold on loan		2,625	(768)
- increase/ (decrease) in trade payables		195	(310)
- increase/ (decrease) in other financial liabilities		253	(280)
- increase/ (decrease) in other liabilities		(192)	316
- increase/ (decrease) in provisions		(52)	38
Cash generated from operating activities before taxes		**4,410**	**209**
- Direct taxes paid, net		(271)	(557)
Net cash generated from/ (used in) operating activities	**A**	**4,139**	**(348)**

Consolidated Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(146)	(355)
Proceeds from sale of property, plant and equipment		7	10
Investment in non convertible debentures		(5)	-
Inter-corporate deposits placed		(150)	(100)
Proceeds from inter-corporate deposits		100	300
Bank deposits (placed)/matured, net		(73)	331
Proceeds from sale of investment in joint venture		43	-
Purchase of investments in subsidiaries, joint venture and other equity instruments		-	(39)
Purchases of mutual funds, net		(2,651)	(13)
Loan given to Group's franchisees and vendors		(97)	-
Proceeds from loan given to Group's franchisees and vendors		94	-
Lease payments received from sub-lease (excluding interest received)		28	28
Interest received		49	73
Net cash (used in)/ from investing activities	**B**	**(2,801)**	**235**
C. Cash flow from financing activities			
(Repayment)/proceeds from long term borrowings, net		(12)	693
(Repayment)/proceeds from borrowings, net		(550)	-
Dividends paid including dividend distribution tax		(355)	(536)
Payment of lease liabilities excluding interest paid		(114)	(233)
Finance costs paid		(203)	(166)
Net cash used in financing activities	**C**	**(1,234)**	**(242)**
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)		**104**	**(355)**
Cash and cash equivalents (opening balance)	11.3	75	430
Add/ (Less): Unrealised exchange (gain)/ loss		2	0
Cash and cash equivalents (closing balance)	11.3	**181**	**75**
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings	17.1		
Opening balance		706	0
(Repayment)/proceeds from borrowings, net		(550)	706
Closing balance		**156**	**706**
Non current borrowings and current maturities of long term borrowings	14.1 and 17.5		
Opening balance		28	41
Repayment from borrowings, net		(12)	(13)
Closing balance		**16**	**28**
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

1. Corporate Information

Titan Company Limited ('Titan' or 'the Company'), and its subsidiaries (collectively, the "Group"), associate and joint venture is primarily involved in manufacturing and sale of watches, jewelry, eyewear and other accessories and products.

Titan is a public Company domiciled in India, with its registered office situated at 3, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and BSE Ltd. in India.

2. Significant Accounting Policies

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

Basis of Preparation

i. Statement of compliance

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

ii. Basis of measurement

The consolidated 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 (including derivative instruments).

b) The defined benefit asset/ (liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

c) Brand and goodwill on business combination measured at fair value.

d) Valuation of grants under Employees Share Options (ESOPs).

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. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to rupees crores as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The Group has decided to report all the amounts in crores in lieu of in lakhs as reported in the earlier from the current year. Accordingly, comparative numbers which were reported in lakhs previously have been reflected in crores in the current financial statements.

iv. Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions 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 and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of consolidated financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised 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 31st March 2021 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and Equipment;

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

- Note 6 – Useful life of the Intangible assets;
- Note 8 – Valuation of deferred tax assets;
- Note 4, 14.2, 16.3 and 28 – Leases;
- Note 29 – Contingent liabilities;
- Note 31 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35.1 and note 35.2 – Fair value measurement of financial instruments.

v. Basis of consolidation

The consolidated financial statements relate to Titan Company Limited and entities controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity.

The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation.

Investment in associate and joint venture are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of consolidated profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Entities controlled by the Company are consolidated from the date the control commences until the date control ceases.

The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the company	Country of incorporation	Ownership interest 31st March 2021	Ownership interest 31st March 2020
Titan Engineering & Automation Limited ("TEAL")	India	100%	100%
Favre Leuba AG	Switzerland	100%	100%
Titan Watch Company Hong Kong Limited (100% subsidiary of Favre Leuba AG)	Hong Kong	100%	100%
Caratlane Trading Private Limited ("formerly known as Carat Lane Trading Private Limited")	India	72.31%	72.31%
StudioC (from 11th February 2021) (100% subsidiary of Caratlane Trading Private Limited)	United States of America	100%	-
Titan Holdings International FZCO (from 15th October 2019)	Dubai	100%	100%
Titan Global Retail L.L.C (from 15th December 2019) (Subsidiary of Titan Holdings International FZCO)	Dubai	100%	100%
Titan Commodity Trading Limited (from 10th August 2020)	India	100%	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

The jointly controlled entity and associate company which are included in the consolidation and the Company's holdings therein are as under:

Name of the company	Country of incorporation	Ownership interest 31st March 2021	Ownership interest 31st March 2020
Montblanc India Retail Private Limited - Jointly controlled entity*	India	-	49.00%
Green Infra Wind Power Theni Limited - Associate company	India	**26.79%**	26.79%

** The Group had exercised the full put option on 8th December 2020 as per the joint venture agreement and divested its stake in Montblanc India Retail Private Limited. The requisite formalities were completed on 12th March 2021.*

The financial statements of the subsidiary companies, joint venture and associate company which are included in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2021. The figures used in consolidation for equity accounting of the investment in joint venture and the associate companies are audited.

vi. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entities are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

vii. Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

viii. Measurement of fair values

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

The Group 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 Group 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 following notes:

- Note 5.1 – Investment property

- Note 35 - financial instruments.

ix. Revenue recognition

The Group recognises revenue when the control of goods being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled based on various customer terms including at the time of delivery of goods, dispatch or upon customer acceptance based on various distribution channels. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets are classified as other assets. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Customer loyalty programmes

The Group has a customer loyalty programme for selected customers. The Group grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative standalone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

b) Service income: Service income is recognised on rendering of services based on the agreements / arrangements with the concerned parties.

c) Dividend and interest income: Dividend income from investments is recognised when the Group's right to receive the payment has been established i.e., either when the dividend is declared or when shareholders approve the dividend in case of equity investments.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

Other Operating Income:

Indirect tax incentives are recognised when the right to receive the amount as per the terms of scheme is established in respect of industrial promotion scheme applicable to the respective units.

Use of significant judgements in revenue recognition:

a) The Group's contracts with customers could include promises to transfer multiple goods to a customer. The Group 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.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. 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 estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

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

Commission income is generally recognised when the related sale is executed as per the terms of the agreement.

The Group 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.

x. Leases

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Group as a Lessee

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

a) **Right-of-use assets:**

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

i) the amount of the initial measurement of lease liability

ii) any initial direct costs

iii) restoration costs

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

b) **Lease Liabilities:**

Lease liabilities are measured at present value of following components:

i) fixed payments less any lease incentives receivable

ii) amounts expected to be payable by the Group 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. The rates will be reassessed on a yearly basis at the beginning of each accounting period to reflect changes in financial conditions.

c) **Short-term leases:**

The Group 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 on a short-term leases are recognised as expense on a straight-line basis over the lease term.

d) **Variable payments:**

Variable lease payments that depend on sales are recognised in the Statement of profit or loss in the period in which the condition that triggers those payments occurs.

Group as a Lessor:

In case of sub-leasing, where the Group, being the original lessee and intermediate lessor, grants a right to use the underlying asset to a third party, the head lease is recognised as lease liability and sub-lease is recognised as lease receivables in the Balance Sheet of the Group. Interest expense is charged on the lease liability and interest income is recognised on lease receivables in the statement of profit or loss.

xi. **Foreign currencies**

a) *Transactions and balances:*

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised 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 translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of consolidated profit and loss in the period in which they arise except for exchange differences on transactions designated as cash flow hedge (refer note xxii(b)).

b) *Foreign operations:*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the statement of consolidated profit and loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

xii. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xiii. 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 consolidated profit and loss.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

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

Defined benefit plan

The contribution to the Group's Gratuity Trust and liability towards pension of retired managing directors 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 consolidated 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 consolidated profit and loss.

The contribution to the Group'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 and when services are rendered by the employees.

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 consolidated balance sheet date.

xiv. Taxation

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

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 consolidated 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 Group'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 consolidated 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 consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred income tax liabilities are recognised 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 recognised, 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.

For operations carried out in notified units covered under Section 80 IC of the income tax Act 1961, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group 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.

xv. Property, Plant and Equipment

a) *Recognition and measurement:*

Land and buildings held for use in the production or supply of goods or services,

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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 the 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 consolidated 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 consolidated profit and loss. Depreciation for assets purchased / sold during the year is proportionately charged from/upto the date of disposal. Free hold land is not depreciated.

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

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

Leasehold improvements are depreciated over the lease term ranging from 1-9 years.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Repairs and maintenance costs are recognised in the statement of consolidated profit and loss when incurred.

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The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of consolidated profit and loss.

Advance paid towards acquisition of fixed assets outstanding at each consolidated 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 consolidated balance sheet date.

xvi. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of consolidated profit and loss in the period in which the property is derecognised.

The investment property includes only land held by the Group and accordingly no amortization of the investment property is recorded in the statement of consolidated profit and loss.

The fair values of the investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

xvii. Intangible assets

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

The estimated useful lives of intangible assets are as follows:

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

Intellectual properties - 5 years

Patents - 5 years

Brand and trademark - Infinite period.

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

xviii. Impairment

Impairment of financial assets:

The Group recognises 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 recognised as an impairment gain or loss in the statement of consolidated profit and loss.

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Impairment of non-financial assets:

At the end of each reporting period, the Group 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 Group 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 consolidated 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 consolidated profit and loss.

Impairment of Goodwill:

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of consolidated profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

xix. Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realizable value determined on an item-by-item basis. Cost is determined as follows:

a) Gold is valued on first-in-first-out basis.

b) Stores and spares, loose tools and raw materials are valued on a moving weighted average rate.

c) Work-in-progress and finished goods (other than gold) are valued on full absorption cost method based on the moving average cost of production.

d) Traded goods are valued on a moving weighted average rate/ cost of purchases.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Group), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, other taxes.

Unfixed gold is valued at the provisional gold price prevailing on the date of delivery of gold.

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

xx. Provisions and contingencies

Provisions: A provision is recognised when the Group has a present obligation as a result of

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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 is 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 consolidated 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.

xxi. Financial instruments

Recognition of financial assets:

Financial assets and financial liabilities are recognised when the Group 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 consolidated profit and loss.

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

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

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortised cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

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

i) Financial assets at amortised cost:

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

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

ii) Investments in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value either in the statement of consolidated profit and loss or in other comprehensive income pertaining to equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of consolidated profit and loss on disposal of the investment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

iii) Investments in equity instruments at FVTPL

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 consolidated profit and loss. The net gain or loss recognised in the statement of consolidated 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 Group'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.

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c) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Whether the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. When the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Group has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of consolidated profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of consolidated profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) Financial liabilities: classification, subsequent measurement and derecognition:

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to

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provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such in initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of consolidated profit and loss. The net gain or loss recognised in the statement of consolidated profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

The Group has designated amount payable for gold taken on loan from banks on initial recognition as fair value through profit and loss.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of consolidated profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of consolidated profit and loss.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

xxii. Derivative financial instruments

a) Derivative instruments not designated as Cash flow hedges:

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, future contracts and options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of consolidated profit and loss immediately unless the derivative is designated

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and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Cash flow hedges

The Group uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments. The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading reserve and the ineffective portion is recognised immediately in the statement of consolidated profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of consolidated profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of consolidated profit and loss.

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

c) Fair Value Hedge:

The Group designates non derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the statement of consolidated profit and loss with an adjustment to the carrying value of the hedged item. The Group has designated the trade payables pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

xxiii. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM).

The Group's primary segments consist of Watches and wearables, Jewellery, Eyewear, Corporate and Others, where 'Others' include Aerospace & Defence, Automation Solutions, Fragrances, Accessories and Indian dress wear. Secondary information is reported geographically.

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents other income and expenses which relate to the Group as a whole and are not allocated to segments.

xxiv. Consolidated cash flow statement

Consolidated cash flows are reported using indirect method, whereby net profits before tax is adjusted

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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 consolidated cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

xxv. Cash and cash equivalents

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

xxvi. 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.

xxvii. Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

xxviii. Recent accounting pronouncements

On 24th March, 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 1st April, 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:

Balance Sheet:

- 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

- Specified format for disclosure of shareholding of promoters.

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

- 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.

- 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:

- 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 standalone financial statements.

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

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3.1 Property, plant and equipment

₹ in crores

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and Servers	Leasehold improvements	Furniture and fixtures	Office equipments	Vehicles	Total
Gross block									
As at 1st April 2019	85	381	630	92	6	251	50	22	1,516
Additions	-	30	93	32	3	77	22	12	269
Disposals	-	-	10	5	1	15	2	6	40
As at 31st March 2020	**85**	**411**	**712**	**119**	**7**	**313**	**70**	**28**	**1,745**
As at 1st April 2020	85	411	712	119	7	313	70	28	1,746
Additions	-	3	29	28	6	33	11	4	114
Disposals/ other adjustment#	-	0	14	5	0	37	5	3	64
As at 31st March 2021	**85**	**414**	**727**	**142**	**13**	**309**	**76**	**28**	**1,796**
Accumulated depreciation									
As at 1st April 2019	-	29	145	35	3	93	22	7	333
Depreciation expense	-	11	60	24	1	44	11	7	160
Disposals	-	-	8	5	1	12	2	5	33
As at 31st March 2020	**-**	**40**	**197**	**55**	**4**	**125**	**30**	**9**	**460**
As at 1st April 2020	-	40	197	55	4	125	30	9	460
Depreciation expense	-	12	59	26	2	47	13	8	166
Disposals	-	-	9	5	0	25	4	2	46
As at 31st March 2021	**-**	**52**	**247**	**76**	**6**	**147**	**39**	**14**	**580**
Net carrying value									
As at 31st March 2020	**85**	**371**	**515**	**64**	**4**	**188**	**40**	**19**	**1,285**
As at 31st March 2021	**85**	**362**	**480**	**66**	**8**	**163**	**37**	**14**	**1,216**

 # Includes an amount of ₹ 4 crores on provision for write off of assets in a subsidiary.

3.2 Capital work-in-progress

₹ in crores

Particulars	Capital work-in-progress
As at 1st April 2019	**29**
Additions	252
Capitalizations	270
As at 31st March 2020	**11**
As at 1st April 2020	11
Additions	107
Capitalizations	99
As at 31st March 2021	**19**

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4 Right-of-use assets*

₹ in crores

Particulars	Leasehold land	Buildings	Plant and Machinery	Total
As at 1st April 2019- Transition impact of Ind AS 116	21	726	-	746
Additions	2	357	12	372
Modifications/ terminations	-	28	-	28
As at 31st March 2020	**23**	**1,055**	**12**	**1,090**
As at 1st April 2020	23	1,055	12	1,090
Additions	-	243	-	243
Disposals	-	108	-	108
As at 31st March 2021	**23**	**1,190**	**12**	**1,225**
Accumulated amortisation				
As at 1st April 2019- Transition impact of Ind AS 116	-	-	-	-
Amortisation expense	1	163	0	164
Modifications/ terminations	-	9	-	9
As at 31st March 2020	**1**	**154**	**0**	**155**
As at 1st April 2020	1	154	0	155
Amortisation expense	1	174	1	176
Modifications/ terminations	-	23	-	23
As at 31st March 2021	**1**	**305**	**1**	**308**
Net carrying value				
As at 31st March 2020	**23**	**901**	**11**	**935**
As at 31st March 2021	**22**	**885**	**10**	**917**

**Also, refer note 29*

5.1 Investment property

₹ in crores

Particulars	Land
As at 1st April 2019	24
Additions	-
Disposals	-
As at 31st March 2020	**24**
As at 1st April 2020	24
Additions	-
Disposals	-
As at 31st March 2021	**24**
Net carrying value	
As at 31st March 2020	**24**
As at 31st March 2021	**24**

a) The Company's investment properties consist of freehold land and therefore no depreciation is chargeable.

b) Fair market value of land at ₹ 102 crores (Previous year: ₹ 102 crores) have been arrived at on the basis of valuations carried out by Chartered Engineer during the years ended 31st March 2021 and 31st March 2020.

c) No rental income has been accrued against these properties.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

5.2 Goodwill

	₹ in crores
Opening Goodwill as at 1st April 2020	123
Movement during the year	-
Closing Goodwill as at 31st March 2021	**123**

Name of the CGU	Operating Segment
Jewellery business of Titan Company Limited	Jewellery
Caratlane Trading Private Limited	Jewellery
Watches business of Titan Company Limited	Watches
Favre Leuba AG	Watches
Eyewear business of Titan Company Limited	Eyewear
Other business of Titan Company Limited	Other business
Titan Engineering & Automation Limited	Other business
Titan Holdings International FZCO	Other business
Titan Global Retail L.L.C.	Other business
Titan Commodity Trading Limited	Other business

Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of such assets. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level/ group of CGUs within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. The goodwill as at 31st March 2021 has been entirely allocated to the Caratlane CGU.

The recoverable amount of the Caratlane CGU is determined on the basis of value-in-use (VIU). The VIU of the CGU is determined based on discounted cash flow projections. Key assumptions on which the Company has based its determination of VIU include estimated cash flows, terminal value and discount rates.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

a) Terminal value growth rate 5%

b) Discount rate post tax 14.4%

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging applicable to the region at a market interest rate applicable to the respective region.

The cash flow projections include specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. Revenue growth has been projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price growth for the coming years. It has been assumed that the sales price would increase in line with forecast inflation over the next ten years.

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's/group of CGU's recoverable amount would fall below its carrying amount.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

6 Other Intangible assets

₹ in crores

Particulars	Trademarks	Intellectual properties	Patents	Computer software	Brand on consolidation	Total
Owned						
As at 1st April 2019	16	-	-	72	180	268
Additions*	-	6	8	39	-	53
Disposals	-	-	-	-	-	-
As at 31st March 2020	**16**	**6**	**8**	**111**	**180**	**321**
As at 1st April 2020	16	6	8	111	180	321
Additions	-	-	-	24	-	24
Disposals/ other adjustment#	13	-	-	1	-	14
As at 31st March 2021	**3**	**6**	**8**	**134**	**180**	**331**
Accumulated amortisation						
As at 1st April 2019	3	-	-	28	-	31
Amortisation expense	-	0	0	24	-	24
Disposals	-	-	-	-	-	-
As at 31st March 2020	**3**	**-**	**-**	**52**	**-**	**55**
As at 1st April 2020	3	-	-	52	-	55
Amortisation expense	-	1	2	31	-	34
Disposals	-	-	-	1	-	1
As at 31st March 2021	**3**	**1**	**2**	**82**	**-**	**88**
Net carrying value						
As at 31st March 2020	**13**	**6**	**8**	**59**	**180**	**266**
As at 31st March 2021	**-**	**5**	**6**	**52**	**180**	**243**

** During the previous year, the Group acquired intellectual properties and patents from HUG Innovations LLP and HUG Innovations Corp (collectively referred as "Hug Innovations") on 6th and 9th January 2020 respectively for a cash considerations of ₹ 14 crores.*

 # Includes an amount of ₹ 13 crores on provision for write off of assets in a subsidiary.

7 Financial assets

7.1 Investments

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
1) Investment in equity instruments (unquoted)		
i) In joint venture company (at cost unless stated otherwise)		
Nil (Previous year: 38,856,265) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited (refer note (a) below)	-	26
ii) In associate company (at cost unless stated otherwise)		
1,500,000 (Previous year: 1,500,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {refer note (b) below}	3	3
	3	28
2) Other investments		
i) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0	0

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
2,511 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	0	0
6,638 (Previous year: 6,638) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	0	0
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	0	0
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	0	0
	0	**0**
ii) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)	10	16
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	0	0
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	0	0
	10	**16**
iii) Investments in non-convertible debentures carried at amortised cost - unquoted		
Investment in non convertible debentures	5	-
	5	**-**
Aggregate value of investments	**19**	**44**
Aggregate book value of quoted investments	**0**	**0**
Aggregate market value of quoted investments	**0**	**0**
Aggregate book value of unquoted investments	**19**	**44**

Notes:

a) The Group has disposed off its entire shareholding in Montblanc India Retail Private Limited to its Joint venture partner on 12th March 2021 at a consideration of ₹ 43 crores exercising put option as per the joint venture agreement. Consequently, the Group has recognised profit on sale of investment amounting to ₹ 22 crores under the head "Other income" during the year ended 31st March 2021.

b) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited in accordance with the Equity Participation agreement.

7.2 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Security deposits	115	110
Employee loans	43	44
	158	**154**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

7.3 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease receivables	205	191
Other assets	6	8
	211	**199**

8 Income tax

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax assets	105	159
Deferred tax liabilities	(8)	(6)
Net deferred tax asset	**97**	**153**

₹ in crores

Particulars	As at 1st April 2020	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2021
Deferred tax assets				
Provision for doubtful trade receivables	2	9	-	11
Employee benefits	44	(6)	-	38
Compensation towards voluntary retirement of employees	7	(6)	-	1
Fair value of investments	34	1	-	35
Cash flow hedges	58	-	(62)	(4)
Lease liabilities (net of Right-of-use assets)	41	3	-	44
Sub-total	**186**	**1**	**(62)**	**124**
Deferred tax liability				
Property, plant and equipment	(33)	6	-	(27)
	(33)	**6**	**-**	**(27)**
	153	**7**	**(62)**	**97**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 1st April 2019	On adoption of Ind AS 116	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2020
Deferred tax assets					
Provision for doubtful trade receivables	2	-	(0)	-	2
Employee benefits	50	-	(6)	-	44
Compensation towards voluntary retirement of employees	18	-	(11)	-	7
MAT credit entitlement	3	-	(3)	-	(0)
Fair value of investments	48	-	(14)	-	34
Cash flow hedges	(10)	-	-	68	58
Lease liabilities (net of Right-of-use assets)	-	55	(14)	-	41
Others	2	-	(2)	-	-
Sub-total	**112**	**55**	**(49)**	**68**	**186**
Deferred tax liability					-
Property, plant and equipment	(43)	-	10	-	(33)
	(43)	**-**	**10**	**-**	**(33)**
	69	**55**	**(39)**	**68**	**153**

b) Amounts recognised in statement of profit and loss and other comprehensive income

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income tax expenses		
Current tax	360	570
Deferred tax	(7)	39
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	12	(19)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	62	(68)
Tax expense for the year	**427**	**522**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	**1,332**	2,106
Enacted income tax rate in India	**25.17%**	25.17%
Computed expected tax expense	**335**	530
Effect of:		
Expenses that are not deductible in determining taxable profit	**4**	21
Income taxes relating to earlier periods	**-**	(2)
Effect of concessions	**(6)**	-
Unrecognised deferred tax for losses of subsidiaries	**20**	20
Income taxed at higher rate for subsidiary	**-**	3
Tax charge/(credit) on gratuity disclosed in OCI	**-**	18
Effect of change in income tax rate*	**-**	26
Others	**-**	(6)
Income tax expense recognised in the statement of profit and loss	**353**	**609**

**From the Assessment Year 2020-21 relevant to the previous year 2019-20, the Company elected 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 had recognized provision for income tax for the year ended 31st March 2020 and computed deferred tax based on the rate prescribed in the said section. From the Assessment Year 2021-22, one of the subsidiary opted to exercise option permitted under section 115BAA for the financial year ended 31st March 2021.*

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Income tax assets (net)	121	144
Current tax liabilities (net)	80	9
Net current income tax assets at the end of the year	**41**	**135**

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net current income tax assets at the beginning of the year	135	112
Income tax paid	271	558
Current income tax expense	(360)	(570)
Interest on income tax refund	7	17
Income tax on other comprehensive income and others	(12)	19
Net current income tax assets at the end of the year	**41**	**135**

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for the year ended 31st March 2021

9 Other non-current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Capital advances	25	23
Balance with revenue authorities	56	51
Other assets (includes deferred lease cost and deferred employee cost)	5	4
	86	**78**

10 Inventories

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Raw materials	1,865	1,437
Work-in-progress {refer (a) below}	375	353
Finished goods	6,082	4,648
Stock-in-trade	58	1,635
Stores and spares	28	25
Loose tools	-	5
	8,408	**8,103**
Included above, goods- in- transit		
Raw materials	6	10
Stock-in-trade	1	2
	7	**12**
a) Details of inventory of work-in-progress		
Watches	134	162
Jewellery	200	147
Others	41	44
	375	**353**

(i) The cost of inventories recognised as an expense during the year is ₹ 16,414 crores (Previous year: ₹ 15,155 crores).

(ii) The cost of inventories recognised as an expense includes ₹ 14 crores (Previous year: ₹ 1 crores) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 4,210 crores (Previous year: ₹ 1,585 crores).

(iv) Refer point (xix) under significant accounting policies for mode of valuation.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

11 Financial assets

11.1 Investments

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
Name of the fund	No of units	Amount	No of units	Amount
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Axis Overnight Fund - Direct Plan - Growth	-	-	3,78,966	40
Tata Overnight Fund - Direct Plan - Growth	-	-	1,89,817	20
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	33,69,823	112	4,38,283	14
Axis Liquid Fund - Direct Plan - Growth	-	-	1,07,590	24
ICICI Prudential Liquid Fund - Direct Plan - Growth	55,24,011	168	51,261	2
L&T Liquid Fund - Direct Plan - Growth	-	-	52,675	14
Aditya Birla Sun Life Low Duration Fund - Direct Plan - Growth	9,15,643	51	-	-
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	89,25,419	256	-	-
Aditya Birla Sun Life Savings Fund - Direct Plan - Growth	11,89,273	51	-	-
Axis Treasury Advantage Fund - Direct Plan - Growth	2,04,535	51	-	-
HDFC Arbitrage Fund - Direct Plan - Growth	1,30,07,480	20	-	-
HDFC Liquid Fund - Direct Plan - Growth	498	0	-	-
HDFC Low Duration Fund - Direct Plan - Growth	1,06,60,130	51	-	-
HDFC Money Market Fund - Direct Plan - Growth	6,10,688	273	-	-
HDFC Money Market Fund - Direct Plan - Growth	11,204	5	-	-
HDFC Ultra Short Term Fund - Direct Plan - Growth	4,26,13,806	51	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	1,61,81,055	45	-	-
ICICI Prudential Money Market Fund Option - Direct Plan - Growth	1,04,43,131	308	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	12,10,792	51	-	-
IDFC Ultra Short Term Fund - Direct Plan - Growth	4,22,43,504	51	-	-
Kotak Equity Arbitrage Fund - Direct Plan - Growth	1,50,04,578	45	-	-
Kotak Money Market Scheme - Direct Plan - Growth	7,24,493	252	-	-
Kotak Savings Fund - Direct Plan - Growth	1,46,55,362	51	-	-
L&T Ultra Short Term Fund - Direct Plan - Growth	1,44,04,766	51	-	-
Nippon India Arbitrage Fund - Direct Plan - Growth	2,08,07,996	45	-	-
Nippon India Liquid Fund - Direct Plan - Growth	3,09,531	156	-	-
Nippon India Money Market Fund - Direct Plan - Growth	9,55,027	308	-	-
SBI Magnum Ultra Short Duration Fund - Direct Plan - Growth	1,14,939	54	-	-
SBI Savings Fund-Direct - Direct Plan - Growth	7,43,23,527	254	-	-
Tata Arbitrage Fund - Direct Plan - Growth Option	3,96,13,175	45	-	-
		2,805		**114**
Aggregate value of unquoted investments		2,805		114

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

11.2 Trade receivables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Considered good- unsecured*	369	315
Less: Allowance for doubtful trade receivables	(3)	(3)
	366	**312**
Credit impaired	6	5
Less: Allowance for doubtful trade receivables	(6)	(5)
	-	-
	366	**312**

** Includes dues from related parties - refer note 35.*

The Group 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 as follows:

Age of receivables	Expected credit loss (%)				
	Watches	Jewellery	Eye-wear	New Category	Aerospace and Defence, Automation Solutions
With in credit period	0%	0%	2%	8%	-
Less than 1 year	0%	2%	3%	2%	-
1 to 2 years	21%	0%	20%	17%	40%
2 to 3 years	20%	6%	50%	24%	80%
Over 3 years	100%	36%	100%	33%	100%

₹ in crores

Age of receivable	As at 31st March 2021	As at 31st March 2020
With in credit period	285	143
Less than 1 year	81	169
1 to 2 years	7	3
2 to 3 years	1	2
Over 3 years	1	3
	375	**320**

Movement in the expected credit loss allowance

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at the beginning of the year	9	12
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0	(3)
Balance at the end of the year	**9**	**9**

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

11.3 Cash and bank balances

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
Cash on hand	12	6
Cheques, drafts on hand	9	4
Balances with banks		
(i) Current account {refer note (a) below}	115	65
(ii) Demand deposit	45	0
Total cash and cash equivalents	**181**	**75**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	11	11
- Unclaimed debenture and debenture interest	0	0
(iv) Demand deposit	14	28
(v) Fixed deposits held as margin money against bank guarantee	54	11
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	300	255
Total other bank balances	**379**	**306**
	560	**381**

Notes:

(a) *The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 34 crores (Previous year: ₹ 3 crores).*

(b) *This amount represents restricted cash maintained for the gold harvest scheme for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013 as amended.*

(c) *The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 have not been made since the requirement does not pertain to financial year ended 31st March 2021.*

11.4 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Inter-corporate deposits	195	145
Less: Provision for impairment (refer note 37)	(145)	(145)
Inter-corporate deposits, net	50	-
Security deposits	33	32
Employee loans	26	24
	109	**56**

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for the year ended 31st March 2021

11.5 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Refunds due from government authorities	128	121
Margin money for gold future contracts	41	245
Provision for doubtful margin money deposits {refer note (a) below}	(34)	-
	7	245
Derivative instruments other than in designated hedge accounting relationships	3	3
Lease receivables	29	29
Other assets (Mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	30	61
	197	**459**

(a) Based on its assessment of recoverability, the Group has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Group was transacting. The Group, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

12 Other current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured and considered good		
Advances to suppliers {refer note (c) below}	92	86
Provision for doubtful advances	(2)	-
	90	86
Prepaid expenses	27	32
Balance with revenue authorities {refer note (a) below}	507	463
Contractual asset {refer note (b) below}	99	102
Gratuity {refer note 32 (b)}	19	-
Other assets (includes deferred lease cost and deferred employee cost)	10	13
	752	**696**

(a) Balance with revenue authorities includes GST credits of ₹ 496 crore (Previous year: ₹ 440 crore) in respect to GST input credit, transitional credit and deemed credit.

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 18.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

13.1 Share capital

₹ in crores

Particulars	As at 31st March 2021 No. of shares (in crores)	As at 31st March 2021 Amount	As at 31st March 2020 No. of shares (in crores)	As at 31st March 2020 Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	120	120	120	120
Redeemable cumulative preference shares of ₹ 100 each	0.40	40	0.40	40
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	89	89	89	89

c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2021 No. crores	As at 31st March 2021 ₹ crores	As at 31st March 2020 No. crores	As at 31st March 2020 ₹ crores
Equity shares with voting rights				
At the beginning of the year	89	89	89	89
At the end of the year	**89**	**89**	**89**	**89**

e) Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2021 No. of shares held (in crores)	As at 31st March 2021 % of total holding	As at 31st March 2020 No. of shares held (in crores)	As at 31st March 2020 % of total holding
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88
Tata Group				
Tata Sons Limited	19	20.85	19	20.85
Tata Investment Corporation Limited	2	2.01	2	2.01
Tata Chemicals Limited	1	1.56	1	1.56
Ewart Investments Limited	0	0.56	0	0.56
Piem Hotels Limited	0	0.06	0	0.06
Total - Tata Group	**22**	**25.04**	**22**	**25.04**

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13.2 Other equity

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Capital reserve (Surplus on re-issue of forfeited shares and debentures)	0	0
Capital redemption reserve (Reserve created on redemption of capital)	1	1
Securities premium (Amounts received on issue of shares in excess of the par value has been classified as securities premium)	141	141
General reserve (Represents appropriation of profit by the Company)	3,066	3,066
Retained earnings* (Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)	4,210	3,591
Other comprehensive income (Items of other comprehensive income consist of cash flow hedge reserve, foreign currency translation reserve and remeasurement of net defined benefit obligation.)	(14)	(223)
Share options outstanding (Share options granted by a subsidiary to its employees)	4	4
	7,408	**6,580**

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8th June 2020 had proposed a final dividend of ₹ 4 per equity share of par value of ₹ 1 each for the financial year ended 31st March 2020. The proposal was approved by shareholders at the Annual General Meeting held on 11th August 2020 and the same was paid during the year ended 31st March 2021. This has resulted in a total outflow of ₹ 355 crores.

The Board of Directors, in its meeting on 29th April 2021, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31st March 2021. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 355 crores.

14 Financial liabilities

14.1 Borrowings

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Term loan*	9	17
	9	**17**

**The interest rate of the term loan is 8.19% p.a. (Previous year:8.60% p.a.) and is payable over 48 equal monthly installments began from 1st June 2019. Current revised rate as per the bank is 5.5% from 22nd March 2021. A prepayment of ₹ 5 crore of the principal amount was made in January 2021 (Previous year: prepayment of ₹ 5 crore in December 2019)*

Notes to the Consolidated Financial Statements

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14.2 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	1,059	1,056
	1,059	**1,056**

14.3 Other financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Others (includes rental deposits)	3	4
	3	**4**

15 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note 32 (c)}	123	133
Provision for pension*	30	30
Provision for gratuity {refer note 32 (b)}	3	3
	156	**166**

**During the previous year ended 31st March 2020, the Company's Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Company. Accordingly, the Company has accrued ₹ 26 crores based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss.*

16 Other non-current liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Others (deferred rental)	1	-
	1	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

17 Financial liabilities

17.1 Borrowings

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Bank overdraft and cash credit {refer note (a) below}	39	30
Unsecured		
Loan from bank and cash credit {refer note (b) below}	13	626
Commercial paper {refer note 41 and note (c) below}	104	50
	156	**706**

(a) *Secured against the Company's inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 8.30% to 8.95% per annum and is payable at monthly intervals. (Previous year secured against the Corporate Guarantee issued by Titan Company Limited at an interest rate of 0.5% per annum)*

(b) *The interest rate on the cash credit facilty is 7.7% p.a. The interest is payable at monthly intervals. (Previous year the loan had a tenure ranging from 24 days to 31 days. The interest rate varies from 7.45% to 8.85% per annum).*

(c) *Commmercial papers are issued with 5.8% effective interest rate for a tenure of 2 to 6 months*

17.2 Gold on loan

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Secured#		
Payable to banks* {refer note (a) below}	2,003	657
Unsecured		
Payable to banks*	2,207	928
	4,210	**1,585**

 # Secured against letter of credit, inventories and receivables.

** Includes amounts payable against gold purchased from various banks under Gold on loan scheme. The interest rate of the same varies from 1.45% to 3.00 % per annum (Previous year: 1.45% to 2.82%) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.*

17.3 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	197	187
	197	**187**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

17.4 Trade payables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro and small enterprises {Refer note (a) below}	167	68
Total outstanding dues of other than micro and small enterprises	622	529
	789	**597**

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	167	68
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.*	51	18
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	0	0

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

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

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

17.5 Other financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unclaimed dividends {refer note (a) below}	11	11
Payables on purchase of property, plant and equipment	15	8
Current maturities of long term debt {refer note (c) below}	7	11
Derivative instruments other than in designated hedge accounting relationships	1	3
Other financial liabilities		-
- Employee related	174	149
- Others {refer note (b) below}	31	37
	239	**219**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 0.11 crores (Previous year: ₹ 0.07 crores) and therefore amounts relating to the same have not been transferred.

(b) Previous year ended 31st March 2020 includes ₹ 21 crores, being the change in measurement of defined benefit plans due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, Reliance Capital Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Group.

(c) Secured against the Corporate Guarantee issued by Titan Company Limited.

18 Other current liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Advance from customers	407	306
Golden harvest scheme (deposit)	1,075	1,485
Liability towards award credit for customers	72	80
Statutory dues (TDS, PF, etc.)	38	20
Contract liability {refer note (a) below}	133	143
Other liabilities (gift card liability, book overdraft)	288	172
	2,013	**2,206**

a) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

19 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note 32 (c)}	20	37
Provision for gratuity {refer note 32 (b)}	1	72
Provision for warranty { refer note (a) below}	9	11
	30	**120**

Note (a): Provision for warranty

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	11	9
Provisions made during the year	6	9
Utilisations/ reversed during the year	(8)	(7)
Provision at the end of the year	**9**	**11**

20 Revenue from operations

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of products		
Manufactured goods		
Watches	1,180	2,030
Jewellery	14,511	13,731
Eyewear	218	86
Others	339	454
	16,248	**16,301**
Traded goods		
Watches	349	502
Jewellery	3,234	3,324
Eyewear	143	452
Others	93	178
	3,819	**4,456**
Total - Sale of products (a)	**20,067**	**20,757**
Income from services provided (b)	**21**	**11**
Other operating revenue		
Indirect tax incentive {refer note (a) below}	24	64
Sale of precious / semi-precious stones	51	126
Sale of gold / platinum	1,467	82
Scrap sales	14	12
Total - Other operating revenue (c)	**1,556**	**284**
Revenue from operations (a+b+c)	**21,644**	**21,052**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) Include sale of gold-ingots aggregating ₹ 1,355 crores (Previous year: Nil) to various customers dealing in bullion.

c) As per the requirements of Ind AS 115, the Group disaggregates revenue based on line of business, geography (as given in Note 27) and between manufactured and traded goods as given above.

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Contracted price	25,563	25,575
Reductions towards variable consideration components	3,919	4,523
Revenue recognised	**21,644**	**21,052**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

21 Other income

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on financial assets carried at amortised cost	38	63
Interest income on income tax refund	7	17
Gain on investments carried at fair value through profit and loss	35	32
Gain on of investment in joint venture	22	-
Interest income on sub-lease	16	18
Miscellaneous income {refer note (a) below}	68	23
	186	**153**

a) Miscellaneous income includeds gain on preclosure of lease contract and lease concessions (net) as defined in note 29.2(c).

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

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Closing stock		
Finished goods	6,082	4,648
Work-in progress	375	354
Stock-in-trade	58	1,635
	6,515	**6,637**
Opening stock		
Finished goods	4,648	4,006
Work-in progress	354	278
Stock-in-trade	1,635	1,475
	6,637	**5,759**
(Increase) / decrease in inventory	**122**	**(878)**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

23 Employee benefits expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages and bonus	926	1,042
Contribution to provident and other funds		
- Gratuity {refer note 32 (b)}	29	20
- Provident and other funds {refer note 32 (a) and 32 (b) }	48	51
Staff welfare expenses	62	86
Employee stock compensation expense (refer note 34)	0	0
	1,065	**1,199**

24 Finance costs

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense on :		
Borrowings#	34	23
Interest on lease liability	114	106
Gold on loan*	55	37
Others	0	0
	203	**166**

 # Includes interest paid for unsecured commercial paper borrowed during the year. The interest rate ranges from 3.35% to 5.8% and payable within a period of 3 to 6 months.

**Refer note 17.2*

25 Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of property, plant and equipment (refer note 3)	166	160
Amortisation of intangible assets (refer note 4, 6)	209	188
	375	**348**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

26 Other expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loose tools, stores and spare parts consumed	26	52
Agency labour	89	128
Power and fuel	37	52
Repairs and maintenance		
- buildings	5	8
- plant and machinery	16	25
- others	5	2
Advertising	288	560
Selling and distribution expenses	587	675
Insurance	18	10
Rent	2	28
Rates and taxes	12	9
Travel	9	53
Bad trade receivables and advances written off	1	1
Less : Provision released	1	0
	-	**1**
Provision for doubtful trade receivables and doubtful other financial assets {refer note (d) below}	35	3
Loss on sale / disposal / scrapping of property, plant and equipment (net)	6	-
Gold price hedge ineffectiveness {refer note (e) below}	739	60
Legal and professional charges {refer note (b) below}	113	138
Expenditure on corporate social responsibility {refer note (c) below}	40	32
Miscellaneous expenses {refer note (a) below}	379	393
Directors' fees	1	1
Commission to non Whole-time Directors	3	4
Provision for asset write off of a subsidiary {refer note (f) below}	31	-
	2,441	**2,231**

Notes:

a) Includes exchange (gain) / loss (net) of ₹ Nil (Previous year: ₹ 3 crore)

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
b) Auditors remuneration comprises fees for audit of :		
Statutory account	2	2
Other services including tax audit and out of pocket expenses	1	1
Total	**3**	**3**

c) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the group during the year: ₹ 40 crore (Previous year ₹ 31 crore).

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

(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	40	-	40
	40	**-**	**40**

d) Based on its assessment of recoverability, the Group has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Company was transacting. The Group, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

e) During the year the Group has recognized a loss of ₹ 739 crores (Previous year: ₹ 60 crores) under Other expenses as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This had led to preclosures of hedge contracts originally designated against sales in the subsequent quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.

f) Provision for asset write off includes amounts pertaining to Property, plant and equipments, Other intangible assets (Trademarks), Inventory and Trade receivables for a subsidiary - Favre Leuba AG, Switzerland.

27 Segment information

a) Description of segments: The Company's Chief Operating Decision Maker (CODM) examines the performance both from a product perspective and geography perspective and has identified the reportable segments Watches and wearables, Jewellery, Eyewear and Others, where 'Others' include Aerospace & Defence, Automation Solutions, Accessories, Fragrances and Indian dress wear. The CODM is Managing Director.

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

b) Segment revenues and Segment profit/loss

₹ in crores

	Revenue		Profit / (loss)	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	1,587	2,622	(132)	316
Jewellery	19,320	17,319	1,701	2,051
Eyewear	375	544	23	(14)
Others	457	635	(5)	19
Corporate (unallocated)	91	85	(57)	(104)
	21,830	**21,205**	**1,530**	**2,268**
Finance costs			203	166
Profit before taxes			**1,327**	**2,102**

There is no inter segment revenue.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

c) Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in crores

Segment	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	(132)	316
Jewellery	1,701	2,051
Eyewear	23	(14)
Others	(5)	19
Corporate (unallocated)	(57)	(104)
Total	**1,530**	**2,268**

d) Segment assets and liabilities

₹ in crores

Segment assets	As at 31st March 2021	As at 31st March 2020
Watches and wearables	1,960	2,218
Jewellery	9,459	8,904
Eyewear	414	495
Others	661	710
Corporate (unallocated)	3,958	1,223
	16,452	**13,550**

₹ in crores

Segment liabilities	As at 31st March 2021	As at 31st March 2020
Watches and wearables	683	783
Jewellery	7,630	4,811
Eyewear	221	234
Others	227	242
Corporate (unallocated)	189	807
	8,950	**6,877**

e) Other segment information

₹ in crores

	Depreciation and amortisation	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	87	89
Jewellery	149	138
Eyewear	49	47
Others	43	33
Corporate (unallocated)	47	41
	375	**348**

Notes to the Consolidated Financial Statements

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28 Earnings per share

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year (₹ crore)	973	1,501
Weighted average number of equity shares	88,77,86,160	88,77,86,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	10.96	16.91

29 Leases

29.1 Amounts recognised in balance sheet

Particulars	Note	As at 31st March 2021	As at 31st March 2020
(i) Right-of-use assets	4		
Buildings		885	901
Leasehold land		22	23
Plant and machinery		10	11
		917	**935**
(ii) Lease liabilities			
Non-current	14.2	1,059	1,056
Current	17.3	197	187
		1,256	**1,243**
(iii) Lease receivables			
Non-current	7.3	205	191
Current	11.5	29	29
		234	**220**

29.2 Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
(i) Depreciation and amortisation expense	4		
Buildings		174	163
Leasehold land		1	1
Plant and machinery		1	0
		176	**164**
(ii) Interest expense (included in finance cost)	24	114	106
(iii) Interest income on sub-lease (included in other income)	21	16	18
(iv) Expense relating to short-term leases	26	29	18
(v) Expense relating to variable lease payments	26	4	10
(vi) Rent concessions received during the year {refer note (c) below}	21	61	-

(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 31st March 2021 amounts to ₹ 274 crores (Previous year: ₹ 302 crores).

Notes to the Consolidated Financial Statements

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(c) The Group has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

29.3 Additional information on variable lease payment:

During the year ended 31st March 2021, the Group has incurred an amount of ₹ 4 crores (Previous year: ₹ 10 crores) on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

29.4 Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on mutual consent of the Company and respective lessors.

30 Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 366 crores (Previous year: ₹ 352 crores) comprising of the following:

a) Sales tax - ₹ 42 crores (Previous year: ₹ 35 crores)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 5 crores (Previous year: ₹ 5 crores)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 134 crores (Previous year: ₹ 138 crores)
(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 on jewellery)

d) Income tax - ₹ 176 crores (Previous year: ₹ 166 crores)
(relating to disallowance of deductions claimed)

e) Others - ₹ 9 crores (Previous year: ₹ 9 crores)
(relating to miscellaneous claims)

f) Claims not acknowledged as debts ₹ 0 crores (Previous year: ₹ 0 crores)
The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. No reimbursements are expected.

g) 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 Group has made a provision for provident fund contribution based on its interpretation of the said judgement, wherever applicable. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

31 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 70 crores (Previous year: ₹ 103 crores)

32 Employee benefits

a) Defined Contribution Plans

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
National pension scheme	2	2
Superannuation fund #	8	9
Employee pension fund	11	12
	21	**23**

b) Defined Benefit Plans

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Provident fund*	27	28
Superannuation fund #	-	-
	27	**28**

** Contributions are made to the Group'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 Group 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 31st March 2020, the Group has charged ₹ 21 crores, being the change in measurement of defined benefit plans, in other comprehensive income due to impairment in the value of investments made in various securites by the trusts' managing the defined benefit plans of the Company (refer note 17.5)."

 # During the previous year ended 31st March 2020, the Group has changed its policy on allocable return from investment of the Superannuation fund trust wherein the Group does not have an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the equivalent Provident Fund interest rate for that year.

i) 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 Group's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The gratuity benefit of the Caratlane is non-funded.

The plan is defined benefit plan which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group 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 longetivity risks.

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Discount rate (p.a.)	5.30% - 6.90%	6.06% - 6.90%
Salary escalation rate (p.a.)		
-Non-management	6.50% - 7.00%	7.00% - 7.31%
-Management	7% - 8.5%	8% - 10%

- The retirement age of employees of the Company varies from 58 to 65 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 for the Company and Titan Engineering & Automation Limited ('TEAL') are as shown below:

₹ in crores

Age (Years)	Rates (p.a.)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
21-44	6%	6%
45 and above	2%	2%

- Rate of leaving service (leaving service due to disability included) for Caratlane Trading Private Limited is 10.34% to 25.82% for various categories of employees (Previous year: 9.42% to 23.53%).

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

₹ in crores

Particulars	For the year ended 31st March 2021		For the year ended 31st March 2020	
	Funded	Non Funded	Funded	Non Funded
Current service cost	24	1	18	0
Past service cost	-	-	-	-
Interest on net defined benefit liability/ (asset)	4	-	2	-
(Gains) / losses on settlement	-	-	-	-
Total component of defined benefit costs charge to the statement of consolidated profit and loss	**28**	**1**	**20**	**0**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

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

₹ in crores

Particulars	For the year ended 31st March 2021		For the year ended 31st March 2020	
	Funded	Non Funded	Funded	Non Funded
Opening amount recognised in Other comprehensive Income outside the consolidated statement of profit and loss	76	1	24	1
Remeasurements during the period due to:			-	-
- Adjustment on account of sale of Subsidiary	-	-	-	-
- Changes in financial assumptions*	(13)	-	25	-
- Changes in demographic assumptions	-	-	(4)	-
- Experience adjustments	(19)	-	29	-
- Actual return on plan assets less interest on plan assets	(14)	-	1	-
Closing amount recognised in other comprehensive income	**30**	**1**	**76**	**1**

** Other comprehensive income disclosed above is gross of tax.*

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income.

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

** Includes an amount of ₹ 21 crores charged by the Group, being the change in measurement of defined benefit plans, in other comprehensive income during the year ended 31st March 2020 due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Group.*

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

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Funded	Non Funded	Funded	Non Funded
Opening net defined benefit liability/ (asset)	71	3	37	2
Expense charged to the consolidated statement of profit and loss	29	1	20	1
Amount recognised outside the consolidated statement of profit and loss	(49)	-	52	-
Benefits paid	-	-	-	-
Employer contributions	(70)	-	(37)	(0)
Closing net defined benefit liability/ (asset)	**(19)**	**4**	**71**	**3**

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

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Funded	Non Funded	Funded	Non Funded
Opening defined benefit obligation	341	3	271	2
Current service cost	25	1	18	1
Past service cost	-	-	-	-
Interest cost	23	-	20	0
Remeasurement due to	-	-	-	-
- Actuarial gains and losses arising from changes in demographic assumptions	(1)	-	(2)	-
- Actuarial gains and losses arising from changes in financial assumptions	(13)	-	23	-
- Actuarial gains and losses arising from experience adjustments	(20)	-	29	0
Benefits paid	(13)	-	(18)	(0)
Closing defined benefit obligation	**342**	**4**	**341**	**3**

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

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Funded	Non Funded	Funded	Non Funded
Opening fair value of plan assets	270	-	234	-
Employer contributions	71	-	37	-
Interest on plan assets	19	-	18	-
Remeasurements due to actuarial return on plan assets less interest on plan assets	15	-	(1)	-
Benefits paid	(13)	-	(18)	-
Closing fair value of plan assets	**362**	**-**	**270**	**-**

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:

₹ in crores

Particulars	As at 31st March 2021		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	331	363	340
Defined benefit obligation on minus 50 basis points	363	331	348

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₹ in crores

Particulars	As at 31st March 2020		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	329	360	338
Defined benefit obligation on minus 50 basis points	362	328	346

Maturity profile of defined benefit obligation

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
With in year 1	21	21
1 year to 2 years	17	17
2 years to 3 years	20	17
3 years to 4 years	19	21
4 years to 5 years	28	20
Over 5 years	626	653

The Company is expected to contribute ₹ 19 crores to the gratuity fund next year.

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

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	158	-	149	-
Other debt instruments	174	-	108	-
Entity's own equity instruments	20	-	14	-
Others	-	10	-	(1)
	352	**10**	**271**	**(1)**

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Compensated absences		
Non-current	123	133
Current	20	37
	143	**170**

33 Research and Development expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	2	2
Revenue	20	22
	22	**24**

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34 Note on Employee Stock Option Plan

During the financial year 2017-18, Caratlane Trading Private Limited (CTPL) introduced Caratlane Stock Option Plan 2017 ('the Plan'). This Plan supersedes the following stock options and stock option plans:

a. Executive Management Stock Option Scheme 2009

b. Caratlane Trading India Private Limited Stock Option Scheme for Consultants, 2013

c. Senior Management Stock Option Scheme, 2012

As per the plan, Board of Directors grants options to the employees of the Company. The vesting period of the option is one to four years from the date of grant. Options granted under the Scheme can be exercised within a period of six years from the date of vesting. For employees leaving the organization, an option can be exercised within 3 months from the date of resignation.

During the year the Company granted 70,000 options to employees.

A maximum of 714,017 options are issuable under this plan. The movement in options issued are as below:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Outstanding at the beginning of the year	4,88,800	4,62,600
Options granted during the year	70,000	77,000
Options forfeited during the year	(5,600)	(38,800)
Options exercised during the year	(1,200)	(12,000)
Outstanding at the end of the year	**5,52,000**	**4,88,800**
Options exercisable at the end of the year	4,36,900	3,35,020
Weighted average excercise price per option (₹)	83.51	48.19

Fair value measurement

The fair value at grant date is determined using the Black-Scholes-Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes-Merton Model for calculating fair value of options under the scheme as on the date of grant are as follows:

The weighted average remaining contractual life of the options outstanding as of 31st March 2021 and 31st March 2020 under the Caratlane stock Options Plan was 6 years and 7 years respectively.

The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following assumptions:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
No of options granted	70,000	77,000
Date of grant	28-Jan-21	21-Oct-19
Vesting period	4 years	4 years
Dividend yield (%)	-	-
Volatility rate (%)	-	-
Risk free rate	5.97%	6.30%
Expected life of options (years)	5.5	5.5
Weighted average fair value of options per share (₹)	474	328

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The stock price of CTPL is arrived using the last round of funding closest to the grant date. Implied volatility is the unit at which the price of shares of peer listed companies has fluctuated during the past period. The expected time to maturity/ expected life of the options is the period for which the CTPL expects the options to be alive, which has been taken as 10 years subject to adjustment of time lapses from the date of grant. The risk free rate considered for calculation is based on the yield on Government Securities for 10 years as on the date of valuation.

35 Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Joint venture	Montblanc India Retail Private Limited (up to 12th March 2021)	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. Bhaskar Bhat, Managing Director (up to 30th September 2019)	
		Mr. C K Venkataraman, Managing Director (from 1st October 2019)	
		Mr. S.Subramaniam, Chief Financial Officer	
		Mr. Dinesh Shetty, General Counsel and Company Secretary	
		Non - executive Directors	
		Mr. N. Muruganandam (Chairman)	
		Mr. Bhaskar Bhat	
		Dr. Mohanasankar Sivaprakasam	
		Mrs. Kakarla Usha	
		Mr. N N Tata	
		Mrs. Hema Ravichandar (up to 31st July 2020)	
		Mrs. Ireena Vittal (up to 30th September 2020)	
		Mr. Ashwani Puri	
		Mr. B Santhanam	
		Mr. V Arun Roy	
		Mr. Pradyumna Rameshchandra Vyas	
		Ms. Sindhu Gangadharan (from 8th June 2020)	
		Mr. Sandeep Singhal (from 11th November 2020)	
f)	Group entities (Wherever there are transactions)	Tata Capital Financial Services Limited	Tata West Asia FZE
		Tata Capital Housing Finance Limited	Tata Unistore Limited
		Infiniti Retail Limited	Tata Consultancy Services Limited
		Kriday Realty Private Limited	Tata Housing Development Company Limited
		Tata International Limited	Smart Value Homes (Peenya Project) Private Limited
		Tata Limited	Tata Capital Limited
		Tata AIG General Insurance Company Limited	Tata Sky Limited
		Tata Industries Limited	Promont Hilltop Private Limited
		Tata Value Homes Limited	Tata Interactive Systems AG
		Ardent Properties Private Limited	Tata Advanced Material Limited
		Tata AIA Life Insurance Company Limited	Tata Autocomp Systems Limited
		Tata Teleservices (Maharashtra) Limited	Tata Teleservices Limited
		Tata Cleantech Capital Limited	Sector 113 Gatevida Developers Private Limited
		Tata Realty and Infrastructure Limited	Tata Electronics Private Limited
		AirAsia (India) Limited	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

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for the year ended 31st March 2021

ii) Related party transactions during the year :

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	0	0
Purchases of services (other expenses)			
Tata Sons Private Limited	Promoter	0	-
Tata Consultancy Services Limited	Group entity	20	14
Tata AIG General Insurance Company Limited	Group entity	0	0
Tata Unistore Limited	Group entity	-	4
Others	Group entity	2	2
Revenue from operations			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	23	76
Tata Electronics Private Limited	Group entity	8	-
Others	Group entities	3	1
Rent			
Tata Sons Private Limited	Promoter	0	1
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	3	3
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	99	124
Tata Sons Private Limited	Promoter	74	93
Key managerial personnel compensation			
Commission and sitting fees	Promoter	1	1
Commission and sitting fees	KMP	6	3
Managerial remuneration	KMP	12	22
Pension paid	Others	1	1
Miscellaneous expense			
Tata Sons Private Limited (Royalty)	Promoter	31	32
Tata Electronics Private Limited	Group entities	0	-

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₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	1	-
Others		1	0
Recovery towards rendering of services			
Montblanc India Retail Private Limited	Joint venture	1	1
Tata Electronics Private Limited	Group entity	3	-
Others		0	1
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	-	50
Tata Realty and Infrastructure Limited	Group entity		50
Tata Value Homes Limited	Group entity	50	-
Inter-corporate deposit redeemed			
Tata Value Homes Limited	Group entity	50	-
Tata Housing Development Company Limited	Group entity	-	100
Tata Capital Financial Services	Group entity	-	50
Tata Realty and Infrastructure Limited	Group entity		50
Interest income			
Tata Housing Development Company Limited	Group entity	-	3
Tata Capital Financial Services	Group entity	-	1
Tata Realty and Infrastructure Limited	Group entity	-	1
Tata Value Homes Limited	Group entity	3	-
Subscription to share capital			
Montblanc India Retail Private Limited	Joint venture	-	8
Contribution to Trust funds			
Titan Watches Provident Fund	Others	91	89
Titan Watches Super Annuation Fund	Others	9	4
Titan Industries Gratuity Fund	Others	71	37

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

₹ in crores

	Relationship	As at 31st March 2021	As at 31st March 2020
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	-	(1)
Tata Sons Private Limited	Promoter	(28)	(24)
Tata Consultancy Services Limited	Group entity	(1)	-
Tata Capital Financial Services	Group entity	0	0
Bhaskar Bhat	Others	-	(3)
C K Venkataraman	KMP	(4)	(2)
Others		(3)	(3)
Tata Electronics Private Limited	Group entities	2	-
Montblanc India Retail Private Limited	Joint venture	-	0
Tata Consultancy Services Limited	Group entity	0	9
Tata Housing Development Company Limited	Group entity	0	0
Others	Group entities	1	1

Note:

a) Entities controlled or promoted by Tamilnadu Industrial Development Corporation Limited are not considered as related party since, the same is a Government-related entity.

b) 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.

c) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

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36 Financial instruments

36.1 Categories of financial instruments

Financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	2,815	130
Total financial assets measured at FVTPL (a)	**2,815**	**130**
Measured at amortised cost		
- Trade receivables	366	312
- Cash and cash equivalents	181	75
- Bank balances other than cash and cash equivalents	379	306
- Inter-corporate deposits	50	-
- Security deposits	148	141
- Investment in non-convertible debentures	5	-
- Employee loans	69	68
- Other financial assets	406	654
Total financial assets measured at amortised cost (b)	**1,604**	**1,556**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Derivative instruments other than in designated hedge accounting relationships (d)	**3**	**4**
Total financial assets (a + b + c + d)	**4,422**	**1,690**

Financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
- Derivative instruments other than in designated hedge accounting relationships	1	3
- Gold on loan	4,210	1,585
Total financial liabilities measured at FVTPL (a)	**4,211**	**1,588**
Measured at amortised cost		
- Borrowings	165	723
- Trade payables	789	597
- Lease liability	1,256	1,243
- Other financial liabilities	241	219
Total financial liabilities measured at amortised cost (b)	**2,451**	**2,782**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Total financial liabilities (a+b+c)	**6,662**	**4,370**

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36.2 (i) Fair value hierarchy

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

₹ in crores

Particulars	As at 31st March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	0	2,805	-	2,805
- Other unquoted investments	-	-	10	10
- Derivative instruments other than in designated hedge accounting relationships	-	3	-	3
Total financial assets	**-**	**2,808**	**10**	**2,818**
Financial liabilities				
- Gold on loan	4,210	-	-	4,210
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial liabilities	**4,210**	**1**	**-**	**4,211**

₹ in crores

Particulars	As at 31st March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	0	114	-	114
- Other unquoted investments	-	-	16	16
- Derivative instruments other than in designated hedge accounting relationships	-	3	-	3
Total financial assets	**-**	**117**	**16**	**133**
Financial liabilities				
- Gold on loan	1,585	-	-	1,585
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	3	-	3
Total financial liabilities	**1,585**	**3**	**-**	**1,588**

(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.

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- 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 comparables, discounted cash flow analysis.

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

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

36.3 Financial risk management objective

The Group has constituted a Risk Management Committee. The group has in place a Risk management framework to identify, evaluate business risks and challenges across the Companies both at corporate level as also separately for each business division. These risks include market risk credit risk and liquidity risk.

The Group minimises the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of derivative financial instruments and investment of excess liquidity is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

The Group does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

36.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Group through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Group's receivables from customers. Refer Note 11.2 for the disclosures for trade receivables.

Credit risk on liquid funds, Inter Corporate deposits and derivative financial instruments is limited because the counterparties are banks and Companies with high credit-ratings assigned by credit-rating agencies.

36.5 Liquidity risk

The Group has an approved policy to invest surplus funds from time-to-time in various short-term instruments. Security of funds and liquidity shall be the primary consideration while deciding on the type of investments.

The Group 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 group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for:

- all non-derivative financial liabilities, and
- derivative financial liabilities, that are net settled.

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The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2021			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Borrowings	98	58	9	165
Gold on loan	1,863	2,347	-	4,210
Trade payables	768	21	-	789
Lease liability	54	143	1,059	1,256
Other financial liabilities	225	14	3	242
Total non-derivative liabilities	**3,008**	**2,583**	**1,071**	**6,662**
Derivatives (net settled)				
Derivative instruments other than in designated hedge accounting relationships	1	-	-	1
Total derivative liabilities	**1**	**-**	**-**	**1**

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2020			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Borrowings	681	25	17	723
Gold on loan	378	1,207	-	1,585
Trade payables	595	1	-	596
Lease liability	149	38	1,056	1,243
Other financial liabilities	211	4	4	219
Total non-derivative liabilities	**2,014**	**1,275**	**1,077**	**4,366**
Derivatives (net settled)				
Derivative instruments other than in designated hedge accounting relationships	3	-	-	3
Total derivative liabilities	**3**	**-**	**-**	**3**

36.6 Market risk

The market risks to which the Group is exposed are price risk {Refer note a) below} and foreign currency risk {Refer note (b) below}.

a) Price Risk:

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold.

To manage the variability in cash flows, the Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

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The use of such derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

The following table gives details of contracts as at the end of the reporting period:

Cash flow hedges Sell forward/future contracts:

₹ in crores

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31st March 2021	4,485	2,386	1,072
31st March 2020	4,296	8,607	3,697

- The line items in the Balance Sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at 31st March 2021 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the statement of profit and loss. Details of movements in hedging reserve is as follows:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at beginning of the year (Net of tax)	**(160)**	**27**
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(109)	(536)
Deferred tax on fair value of effective portion of cash flow hedges	29	143
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	343	281
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	(91)	(75)
Movement in cash flow hedges	**234**	**(255)**
Deferred tax on movement in cash flow hedge	**(62)**	**68**
Balance at end of the year (net of taxes)	**12**	**(160)**

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b) Foreign currency risk management

The company is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered in Note 36.6 above.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, the Company enters into forward foreign exchange contracts and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD, CHF and EURO currencies. The Company's sensitivity to a 1% increase and decrease in ₹ against the relevant foreign currencies is presented below:

Particulars	% variance	Impact on equity (Increase/ decrease)
Titan Company Limited	1.0%	(0)
Titan Engineering & Automation Limited	0.5%	(0)
Caratlane Trading Private Limited	1.0%	(0)

36.7 The Group's exposure to Forward foreign exchange contracts at the end of the reporting year are as follows:

The Group has 11 forward exchange contracts in USD 0.4 crores equivalent to ₹ 29 crores as at 31st March 2021 (Previous year: no forward exchange contracts).

In addition to the above, the Group has 6 Option contract in USD 2 crores equivalent to ₹ 128 crores (Previous year : 6 Option contracts in USD 2 crores equivalent to ₹ 137 crores).

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37 Details of Inter-corporate deposits given and investments made during the year:

₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2021
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	7.50%	9 months	-	50	50	-	-
Tata Projects Limited	Others	Unsecured	Trade deposits	7.30%	8 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	-	50	-	-	50
						145	**150**	**100**	**145**	**50**

₹ in crores

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Loans given during the year	Loans recovered during the year	As at 31st March 2021
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	-	97	94	3

** During the year the Group has given loans to its franchisees and vendors to support them during the pandemic crisis.*

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Share of Profit / (loss) during the year	Investment sold during the year	As at 31st March 2021
Investments							
Investment in equity instruments (unquoted)							
Montblanc India Retail Private Limited	Joint venture	Strategic investment	26	-	(5)	(22)	-
Green Infra Wind Power Theni Limited	Associate	Strategic investment	3	-	0	-	3
			29	**-**	**(5)**	**(22)**	**3**

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₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2021
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited	Others	Strategic investment	16	-	5	11
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Investment in non convertible debentures	Others	Wealth creation	-	5	-	5
			16	**5**	**5**	**16**

** The movement is on account of fair valuation as at the year end.*

Details of Inter-corporate deposits given and investments made during the previous year: ₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	50	50	100	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	50	-	50	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	50	-	50	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	50	-	50	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	50	50	-	-
						345	**100**	**300**	**145**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2019	Investment made during the year	Share of Profit / (loss) during the year	As at 31st March 2020
Investments						
Investment in equity instruments (unquoted)						
Montblanc India Retail Private Limited	Joint venture	Strategic investment	23	8	(5)	**26**
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	1	**3**
			25	**8**	**(4)**	29

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2020
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited	Others	Strategic investment	14	1	-	16
Green Infra Wind Generation Limited	Others	Wealth creation	0	0	-	**0**
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	0	-	0
			14	**1**	**-**	**16**

** The movement is on account of fair valuation as at the year end.*

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

38 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 2013 Act.

₹ in crores

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit / (loss)		Share in other comprehensive income		Share of profit / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated profit / (loss)	Amount
Parent : Titan Company Limited	95.37%	7,554	103.90%	878	98.49%	206	102.83%	1,084
Subsidiaries:								
Indian								
1) Titan Commodity Trading Limited	0.03%	2	0.00%	0	0.00%	-	0.00%	0
2) Titan Engineering & Automation Limited	4.44%	352	3.56%	30	1.09%	2	3.07%	32
3) Caratlane Trading Private Limited	0.23%	18	0.19%	2	0.00%	0	0.15%	2
Foreign								
1) Favre Leuba AG	0.03%	2	-6.94%	(59)	0.43%	1	-5.48%	(58)
2) Titan Watch Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3) Titan Holdings International FZCO	-0.03%	(2)	-0.12%	(1)	0.00%	-	-0.09%	(1)
4) Titan Global Retail L.L.C	-0.06%	(5)	-0.59%	(5)	0.00%	-	-0.47%	(5)
	100.00%	**7,921**	**100.00%**	**845**	**100.00%**	**209**	**100.00%**	**1,054**
Adjustment arising out of consolidation		(420)		133		-		133
		7,502		**978**		**209**		**1,187**
Associate:								
Green Infra Wind Power Theni Limited		1		0		-		0
Jointly controlled entity:								
Montblanc India Retail Private Limited		-		(5)		-		(5)
Sub-total		**7,503**		**973**		**209**		**1,182**
Non controlling interest in subsidiary								
Caratlane Trading Private Limited		(5)		1		-		1
		7,497		**974**		**209**		**1,183**

39 Impact of COVID-19 (Global pandemic):

The Group has considered the possible effects that may result from the global pandemic relating to COVID-19 on the consolidated financial statements of the Group. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these Consolidated financial statements has used internal and external sources of information. The Group has performed an analysis on the assumptions used and based on current estimates expects that the carrying amount of it's assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

(i) Revenue from operations

While the Group believes strongly that it has a portfolio of business segments which will encourage healthy growth and gained market share from target customers, the impact on future revenue streams could come majorly from the following –

- customers postponing their discretionary spend due to change in priorities
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- postponement of capex by customers and Airline industry demand will have impact on our businesses

The Group 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.

(ii) Leases

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

(iii) Credit risk

Financial instruments carried at fair value as at 31st March 2021 is ₹ 2,815 crores and financial instruments carried at amortised cost as at 31st March 2021 is ₹ 1,598 crores. A portion of the financial assets are classified as Level 1 having fair value of ₹ 3 crores as at 31st March, 2021. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly investments in mutual funds and accordingly, any material volatility is not expected.

Financial assets of ₹ 560 crores as at 31st March 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Group has assessed the counterparty credit risk.

Trade receivables of ₹ 366 crores as at 31st March 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, if any, 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. The same assessment is done in respect of contract assets of ₹ 99 crores as at 31st March 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 9 crores as at 31st March 2021 is considered adequate.

(iv) Market risk

The Group, basis its assessment, believes that the probability of the occurrence of its forecasted transactions may be impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The impact of ineffectiveness in hedges will be evaluated and taken in the financial statements based on occurrence of the event leading to hedge ineffectiveness.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

(v) Goodwill

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than it's carrying amount. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

40 Capital management

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group 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 Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. Gold on loan as disclosed in the financial statements represents amounts due to banks for the procurement of gold under 'Gold (Metal) loan scheme' by the Group. The Group is not subject to any externally imposed capital requirements.

41 Commercial paper

The following tables set forth, for the period indicated, details of commercial paper issued by Caratlane Trading Private Limited:

Maturities	0-1 Month	2-3 Months	4-6 Months
Face value	-	85	20
Carrying value	-	84	20

The following tables set forth, ratings assigned by credit rating agency for commercial paper instrument

Instrument	ICRA	BRICKWORKS
Caratlane Trading Private Limited (as at 31st March 2021)	A1+	-

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Financial Statistics under Ind AS

₹ crores

BALANCE SHEET	April 1, 2015	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
(1) Non-current assets							
Property, plant and equipment, Capital Work-in-progerss, Investment property and Intangible assets	628	741	855	1,015	1,095	2,067	1,984
Financial assets							
- Investments	39	80	512	734	807	909	759
- Other financial assets	93	103	83	116	126	300	324
Deferred tax asset (net)	-	-	2	48	85	172	105
Tax assets (net)	69	103	81	101	121	141	120
Other non-current assets	95	103	93	106	151	65	67
(2) Current assets							
Inventories	3,986	4,382	4,806	5,749	6,719	7,741	7,984
Financial assets							
- Investments	-	-	375	-	69	74	2,753
- Trade receivables	140	135	115	193	358	214	291
- Cash and cash equivalents	210	112	773	612	1,001	356	512
- Other financial assets	441	436	512	354	343	512	290
Other current assets	116	114	110	369	595	637	671
TOTAL APPLICATION OF FUNDS	**5,816**	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**	**15,860**
Equity share capital	89	89	89	89	89	89	89
Other equity	3,268	3,446	4,223	5,105	6,093	6,736	7,464
Non-current liabilities							
- Lease liabilities	-	-	-	-	-	967	971
- Provisions	81	100	109	104	119	152	143
- Deferred tax liability (net)	10	16	-	-	-	-	-
Current liabilities							
Financial liabilities							
- Borrowings	100	113	-	-	-	626	-
- Gold on loan	-	-	1,867	1,604	2,288	1,507	4,094
- Lease liabilities	-	-	-	-	-	169	178
- Trade payables	1,874	1,629	711	786	772	510	695
- Other financial liabilities	26	70	235	251	214	191	218
Other current liabilities	355	828	1,065	1,414	1,828	2,123	1,905
Provisions	15	18	18	21	58	109	23
Current tax liabilities (net)	-	-	-	22	9	9	80
TOTAL SOURCES OF FUNDS	**5,816**	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**	**15,860**

₹ crores

PROFIT & LOSS ACCOUNT	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue from operations	11,105	12,999	15,656	19,070	20,010	20,602
Expenses	10,161	11,804	13,922	17,069	17,592	18,901
Interest	42	37	48	44	149	181
Depreciation/Amortisation	87	93	110	139	310	331
Operating Profit/ (loss)	815	1,065	1,576	1,819	1,959	1,189
Add: Other income	73	65	86	179	146	181
Less: Exceptional Item	-	96	92	70	-	137
Profit before tax	888	1,033	1,571	1,927	2,105	1,233
Tax expense	191	272	408	553	588	356
Profit for the year	698	762	1,163	1,374	1,517	877
Other comprehensive income	(39)	15	(3)	15	(238)	206
Total comprehensive income	**659**	**777**	**1,160**	**1,389**	**1,279**	**1,083**
Equity Dividend (%)	220%	260%	375%	500%	400%	400%
Equity Dividend (Rs.)	195	231	333	444	355	355
Employee costs (excluding VRS)	623	696	762	879	1,040	911
% to Sales Income	5.6%	5.4%	3.8%	4.4%	5.2%	4.4%
Advertising	429	445	441	523	477	232
% to Sales Income	3.9%	3.4%	2.2%	2.6%	2.4%	1.1%

https://www.facebook.com/TitanCompanyLimited/

https://twitter.com/TitanCompanyLtd

3 SIPCOT Industrial Complex Hosur 635 126

CIN : L74999TZ1984PLC001456

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)